7

PREFACE

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PREFACE

000 This is one of five monographs prepared by the staff of the China Project at Stanford University in fulfillment of a twelve-month subcontract with the Human Relations Area Files, Incorporated, New Haven, Connecticut.

The main purpose of this monograph is to present insofar as possible a concise account of the social, economic, and political conditions and problems of Formosa. Lying midway between Japan and the Philippines, Formosa forms a most important link in the anti-Communist line of defense from the Aleutians to Australia. With an area larger than that of the Netherlands and with a population now exceeding that of Sweden or Greece, the island serves as a show-window for democracy and as an advance base from which anti-Communist campaigns may be launched. Its present position may be likened to that of Great Britain in the days prior to the Allied invasion of Europe. On the success of the Nationalist cause depends not only the security of the western Pacific, but also the liberation of six hundred million Chinese from the bondage of Communism. Formosa has become a bulwark against Communist expansion in Asia and a rallying point for all freedom-loving Chinese.

030 Although primary emphasis is placed on developments since World War II, whenever necessary Formosa's past, especially under Japanese domination, is touched upon. Every attempt has been made to comply with the format provided by HRAF. However, additional topics, including a review of political institutions and a general survey of economic conditions, have been added in order to provide a more complete background.

An excellent collection of source material on Formosa is available at the libraries of Stanford University. Only the time limitations of our subcontract make it impracticable for us to make more exhaustive use of such material.

This monograph is to be regarded as a co-operative project, and no attempt will be made to identify the authors of the studies. It is proper, however, for me to single out the efforts of Tsung-lien Shen and David S. Huang, who are responsible for the majority of the studies. We are grateful to our consultants who have rendered us invaluable assistance: Professors Shao-hsing Ch'en, Ch'ao-ying Li, and Kuo-hsin Ch'en, all of the Taiwan National University. We are also grateful to Professor Joseph E. Williams, executive head of the Department of Geography, Stanford University, for his supervision of our cartographic work. We should like to express our sincere appreciation to the staff of the Hoover Library, Stanford University, for their patient co-operation, and particularly to Dr. Mary C. Wright, curator of Chinese Collections, for her unfailing support.

The views and opinions expressed in this monograph are those of the staff of the China Project and are not necessarily those of Stanford University.

Shau Wing Chan
Director

March 26, 1956
Stanford University
Stanford, California

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*Appears in back cover in Monograph Volume I.

Annex "A," Subparagraph 1a',
Sociological Background

GEOGRAPHICAL SETTING

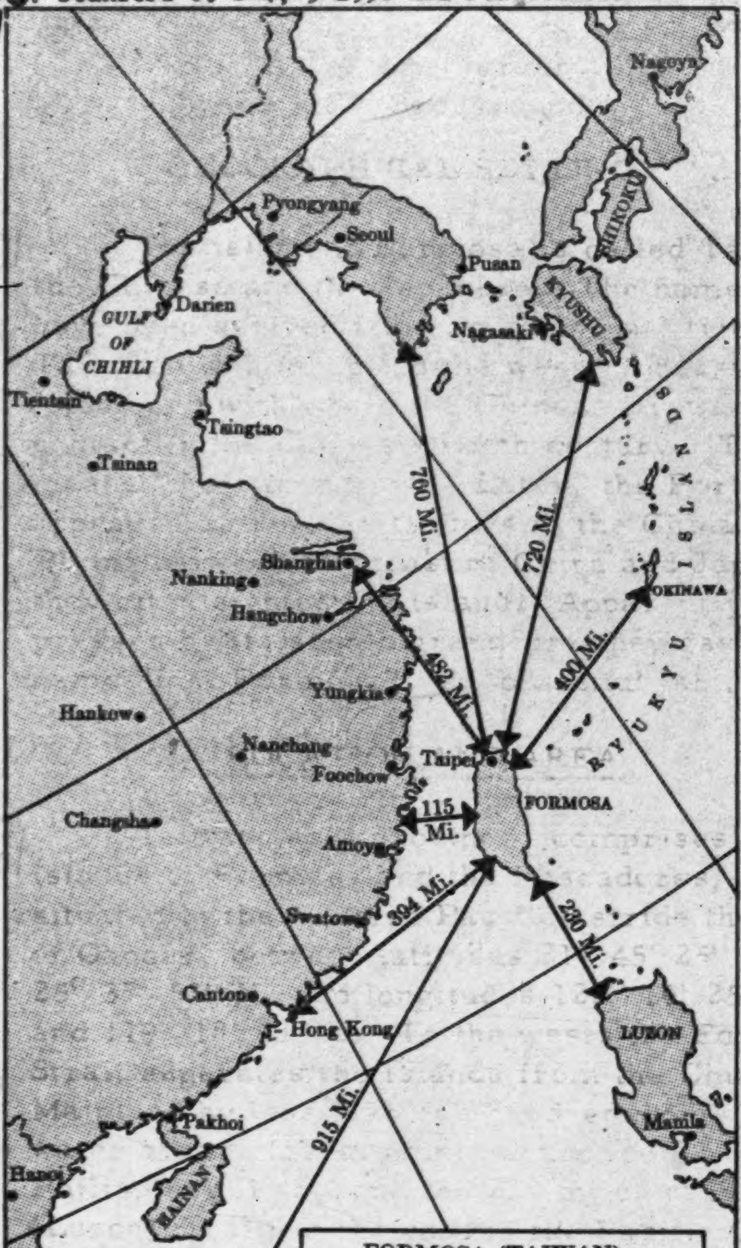
101 The island of Formosa is called Taiwan by the Chinese and the Japanese. The name may have been derived from an aboriginal tribe called Tai-yuan who inhabited the western coast of the island and with whom the Chinese first came into contact in the early sixteenth century. Taiwan means "Terraced Bay". Later, the Portuguese appeared as regular traders in the China Sea. Plying between the coast of China and Japan, they often sighted the island. Apparently impressed by its scenic grandeur, they gave it the name "Ihla Formosa", the beautiful isle.

I. LOCATION AND AREA

131 Taiwan, as a province, comprises the islands of Formosa and the Pescadores. It is situated in the western Pacific astride the Tropic of Cancer, between latitudes 21° 45' 25" N and 25° 37' 53" N, and longitudes 122° 10' 25" E and 119° 18' 13" E. To the west, the Formosa Strait separates the islands from the China Mainland by less than one hundred miles of water at the closest point; to the south, the Philippines lie beyond the 230 miles of Bashi (Luzon) Strait; to the east is the Pacific Ocean. The islands of Formosa are midway on the water route between Shanghai and Hong Kong, 400 miles southwest of Okinawa, and 720 miles south of Japan.

45: Stanford U. S-4, 5 1956 AD1 Formosa AD1

131


Nagoya
SHIKOKU
Pyongyang
Seoul
Pusan
KYUSHU
Nagasaki
Darien
GULF OF CHIHLI
Tientsin
Tsingtao
Tsinan
760 Mi.
720 Mi.
Shanghai
Nanking
Hangchow
482 Mi.
400 Mi.
OKINAWA
RYUKYU ISLANDS
Yungkia
Hankow
Nanchang
Foochow
Taipei
FORMOSA
Changsha
115 Mi.
Amoy
394 Mi.
Swatow
230 Mi.
Canton
Hong Kong
LUZON
915 Mi.
Pakhoi
Manila
Hanoi
HAINAN
TONKIN
FORMOSA (TAIWAN)
GEOGRAPHICAL POSITION

A B

C B

Reduce AB to CB [Facing p.1]

● 131 The total area of Taiwan Province covers 13,880 square miles with a coastline of 970 miles. The main island of Formosa is 250 miles long and 60 to 80 miles wide, comprising an area of 13,800 square miles, with a coastline extending 710 miles. The strategic Pescadores, lying between the China Mainland and Formosa and 25 miles from the latter, guard the Formosa Strait and give shelter to distressed vessels caught in the storms that rage often during the course of the year.

II. TOPOGRAPHY

133 About two-thirds of the main island is composed of rugged foothill ranges and massive mountain chains, of which more than thirty summits exceed 10,000 feet above sea level. Only about 35 per cent of the land is under an elevation of 100 meters (328 ft.). The mountains, towering along the eastern coast of the island, run roughly from northeast to southwest. A low flat coastal plain, extending from north to south, occupies the western third.

The major part of the main island is formed by a tilted mass of earth and rock which extends along the central mountains and slopes steeply to the east and more gradually

133 to the west. The Central Range, the T'zu-kao-shan Range, and the A-li-shan Range form this tilted block. The Ta-tun group of volcanic peaks occupies the northern extremity; the Taitung Range forms the narrow downfaulted block separated from the Central Range by the Taitung Trench (rift valley).

The main island's strata are mainly formed by sedimentary rock and are vulnerable to erosion. The erosion is intensified by the frequent torrential storms. It is not rare to find swift streams in the midst of steep valley cliffs in the mountainous areas and disastrous seasonal floods on the plains.

The main island lies in a Pacific volcanic belt, but none of the northern mountains or the coastal mountains is active at present. The frequent seismic activity found is believed to be caused by the gradual uplift of the Asiatic Continental Shelf, as a result of which the eastern section of the main island is often heavily affected by earthquakes.

133

Major Mountains of Formosa*

Name	Elevation (meters)	Location
Yü (Mt. Morrison)	3,950	Nantou, Chiayi, Koahsiung
Ta'u-kao (Mt. Sylvia)	3,931	Miaoli, Taichung
Tung-tz'u-kao	3,884	Nantou, Kaohsiung
Hsiu-ku-luan	3,833	Nantou, Hualien
Pei-hsin-kao	3,833	Nantou
Nan-hsin-kao	3,815	Kaohsiung
Nan-hu-ta	3,797	Taipei, Taichung, Hualien
Kuan	3,667	Kaohsiung, Taitung

* Adapted from China Handbook 1953-54, Taipei, 1953, p. 343.

45:Stanford U. S-4, 5 1956 ADI Formosa
ADI
ADI

133 The rivers have short courses and rapid streams. The longest river is the Cho-shui, only 107 miles long. The rivers are usually shallow except in the rainy seasons. The upper streams generally run through steep canyons, but on the plains numerous branches are formed. Because of the mountain floods, rivers on the western plain rise during the summer; in winter, the dry season, river beds are sometimes exposed.

There are two important lakes on Formosa, namely, Jitsugetsutan[1] [Sun-Moon Lake, or Lake Candidus] and Shan-hu Lake [Chia-nan Irrigation Reservoir]. The former is a natural lake found in the geographical center of the island at an altitude of 2,700 feet. The island derives a major portion of its electricity from the waters of this lake. Shan-hu is an artificial lake damming the Chia-nan River at an altitude of 210 feet. It is located just below the Tropic of Cancer.

---

[1] This is Jih-yueh-t'an in Chinese. However, this Japanese name seems to be more widely accepted in current literature on Formosa than the Chinese name.

Important Rivers of Formosa*

Name	Length (km.)	Area (square km.)	Course of Drainage (counties)
Cho-shui	170	3,114	Nantou, Changhua, Yunlin
Lower Tan-shui	159	3,310	Kaohsiung, Pingtung
Tanshui	144	2,705	Hsinchu, Taoyuan, Taipei
Tsent-wen	137	1,212	Chiayi, Tainan
Ta-chia	124	1,272	Taichung

---

* Ch'en Cheng-hsiang, T'ai-wan T'u-ti Li-yüng [Land Utilization of Taiwan], Taipei, National Taiwan University and Joint Commission on Rural Reconstruction, 1950, p. 6.

III. COASTLINE AND MARINE FLOOR

133 The long coastline of the main island has very few indentations. The east coast is precipitious, with a fault shoreline connecting Hualien and Suao. For all practical purposes, it has no natural harbor except Suao Bay on the northern coast. The west coast is marked by wide tidal flats and is generally swampy. The sea is so shallow that sea-going vessels have to keep almost out of sight of land and can find ingress only at a few river mouths. These approaches, however, are often choked with sand bars. Kaohsiung, the southern port, is situated in a long lagoon called Kaohsiung Bay. The northern coast is winding, with many inlets. Keelung Harbor is a deep indentation there.

The main island sits on the southeastern part of the China Continental Shelf. Formosa Strait is shallow; the depth is generally under 300 feet and not exceeding 700 feet at the deepest point. However, the sea deepens abruptly along the east coast; it drops to a depth of 13,000 feet only 31 miles offshore.

IV. SOILS

134 Three distinct types of soil are found in the mountainous area, and two types of alluvial soils exist in the plains.

134 In areas above 9,800 feet elevation podsols (generally associated with coniferous forest cover) and slightly podsolized alpine soils are found. Grey-brown and yellow podsolic soils are found on the mountain slopes between 6,500 and 8,500 feet. In the foothill areas less than 6,000 feet above sea level, lateritic soils -- yellow, light red, and deep red, depending upon the altitude at which they are found -- constitute a major part of the soil.

Alluvial soils, important for agricultural use, cover an area of about 3,300 square miles, or 24 per cent of the island's surface, and are found principally in the southwestern part of the island. Small tracts of alluvial parent materials are widely scattered throughout lowland Formosa. In the middle and northern plains are generally acid alluvial soils; alkaline alluvial soils spread over the southern plains, Taitung Trench, and Yilan Plain.

V. VEGETATION

137 Most of the mountains are heavily forested. About 68 per cent of the main island is covered with three dominant plant formations -- broad-leaved evergreen forests, mixed forests of broad-leaved deciduous trees and conifers, and coniferous forests. Two minor types of vegetation are seen on the foothills,

137 the relatively small bamboo forest along the western foothills and steppe, and shrubs over the low slopes of the mountains.

VI. CLIMATE

132 Latitude, ocean currents, topographic features, and of most importance, the monsoons determine the climate of Formosa.

Generally speaking, the main island is semi-tropical. It separates, at its southern end, the Kuro-shio (ocean current) which flows northward, and lies within the great Asian monsoon system which provides strong northeast winds in winter and less pronounced southwest winds in summer. The result is that the island is windy and has generally high temperature and precipitation. However, dry winters are experienced in the southern plains.

The warm and humid summer lasts from May until September, the mild winter from December until February. The highest temperature rarely exceeds 100°F in the hottest summer months, July and August; the lowest has never been below 35° F in the coldest month of January.

Average annual rainfall ranges from 50 inches on the low eastern coast to 250 inches and more on exposed mountain slopes. Although the northeast has no distinct dry season, the southwestern parts of the island have a marked winter dry season.

Typhoons occur between June and October as a result of the tropical cyclonic storms which sweep out of the western Pacific. The tremendous winds are usually accompanied by torrential rains which may destroy buildings, cause floods, and damage agricultural crops and forests. During the fifty-year period 1897-1946, there occurred 71 typhoons, of which twenty-seven were highly destructive.

Distinct climatic characteristics are found in the seven regions divided by Cheng-hsiang Chen.[2] The regions are shown on the map in the following page and are described briefly below:

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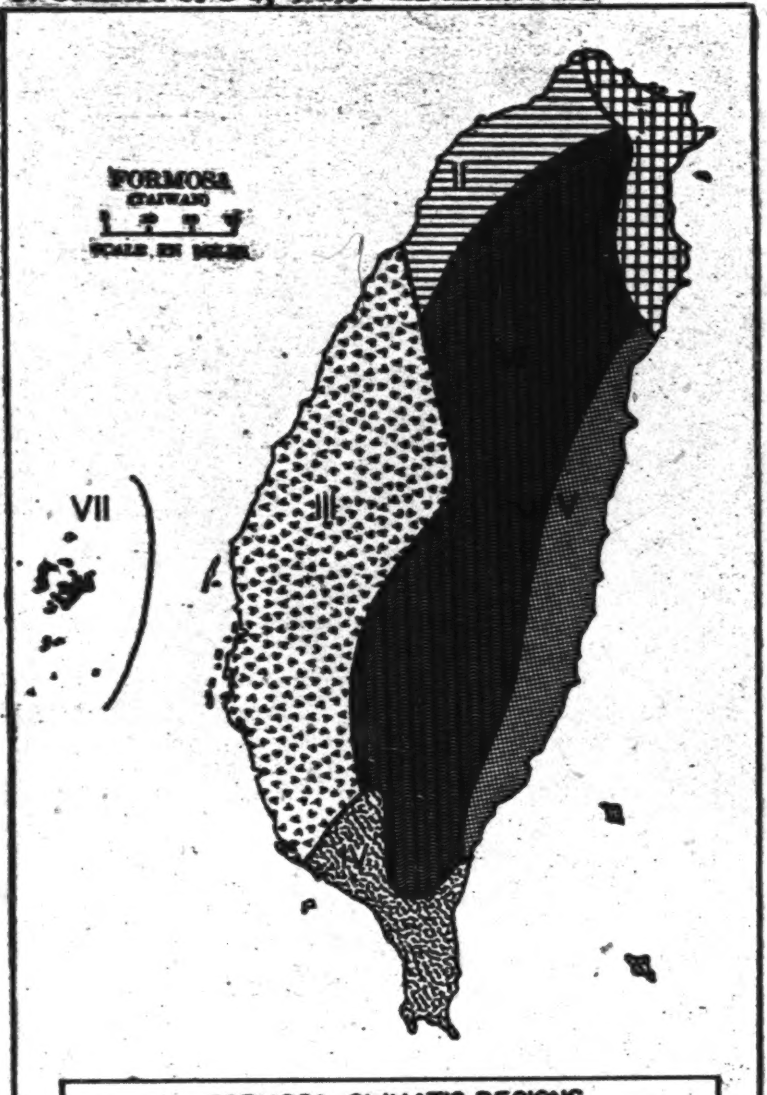
[2] Cheng-hsiang Chen, *op. cit.*, pp. 31-35.

[illegible] AB to CD C D
A B
1: Stanford U. S-4, 5.1956 ADI Formosa ADI
132



FORMOSA
(TAIWAN)
SCALE IN MILES
II
III
V
VII
I NORTHEASTERN REGION
II. NORTHERN REGION
III WESTERN PLAIN REGION
IV SOUTHERN REGION
V EAST COAST REGION
VI CENTRAL MOUNTAIN REGION
VII PENGHU REGION

FORMOSA-CLIMATIC REGIONS

[Facing p. 11]

Northeastern Region

132 This region covers the northern corner of the main island. The northeast winds blow from the sea during most of the year. Annual precipitation in Keelung is 114 inches, and there is an average of 213 cloudy days a year. On the mountain slopes, precipitation varies from 150 to 200 inches a year. The summer rains are heavy and short in duration; the winter rains are, more or less, a continual drizzle. The average temperatures for the hottest and the coldest months are 82.4° F and 59° F respectively.

Northern Region

This region encompasses the southwestern section of Taipei hsien and the entire Hsinchu hsien. The coolest winters of the island occur here on the lowlands. However, average temperature of the coldest month, February, is just below 59° F. Frosts are seen very rarely and snow is non-existent except in the mountains at high altitude. Hsinchu and the adjacent coast are subject to strong winter winds.

Western Plain Region

The region is composed of the Tainan Plain and the foothills to the east. Winters are warm and dry, with the average temperature varying from 60 to 80 degrees. The rainy period, created by the southwest monsoon, is concentrated in the summer months of May through August, bringing a monthly average rainfall of 8 inches.

Southern Region

Pingtung Plain and Hengtsun Peninsula constitute this region. It has a tropical climate. Annual average temperature is 75° F, and the highest temperature at Hengtsun in the summer reaches 90° F. Winters are usually dry, but sometimes there are destructive gales. Annual precipitation ranges from 60 to 80 inches, of which 90 per cent falls in summer.

East Coast Region

This region, comprised of the Taitung Range and the adjoining trench, has an annual rainfall of 60 to 80 inches, two-thirds of which falls in summer. Temperature of the coldest month, January, averages 60°F.

Central Mountain Region

The central mountain ranges are included in this region. The high altitude, 3,000 feet above sea level, and exposure to prevailing

132 winds bring an annual precipitation of more than 120 inches. Frosts are frequent and the higher mountains are snow-covered during the winter.

Penghu Region

This region comprises the Pescadores Islands, and is subject to strong wind almost all year round. The average velocity of 15 miles per hour is recorded, but during December the velocity is as much as 20 miles per hour. The precipitation amounts to about 40 inches a year.

VII. POLITICAL DIVISIONS

631 On August 16, 1950, the administrative areas of Formosa were rearranged into five municipalities, 16 hsien, and Yangminshan Administration. The five municipalities are: Taipei, Tainan, Keelung, Kaohsiung, and Taichung. The sixteen hsien are: Taipei, Taoyuan, Miaoli, Changhua, Yunlin, Tainan, Pingtung, Hualien, Yilan, Hsinchu, Taichung, Nantou, Chiayi, Kaohsiung, Taitung, and Penghu (Pescadores).

VIII. IMPORTANT CITIES[3]

Keelung

439 Keelung City, the port for Taipei and northern Formosa, handles nearly one-half of Formosa's imports and a little more than one-fourth of all exports. Apart from factories which manufacture commercial fertilizers, wheat flour, and bicycles, it has ship-building facilities, a railway terminus, and warehouses. It also is a base for deep-sea and coastal fishing. The registered population in June 1953 was 170,000.[4]

Taipei

438 633 Taipei, located on the northern bank of Tan-shui River, is the largest city on the island, with an estimated population of over 700,000 in early 1956. It is the capital of

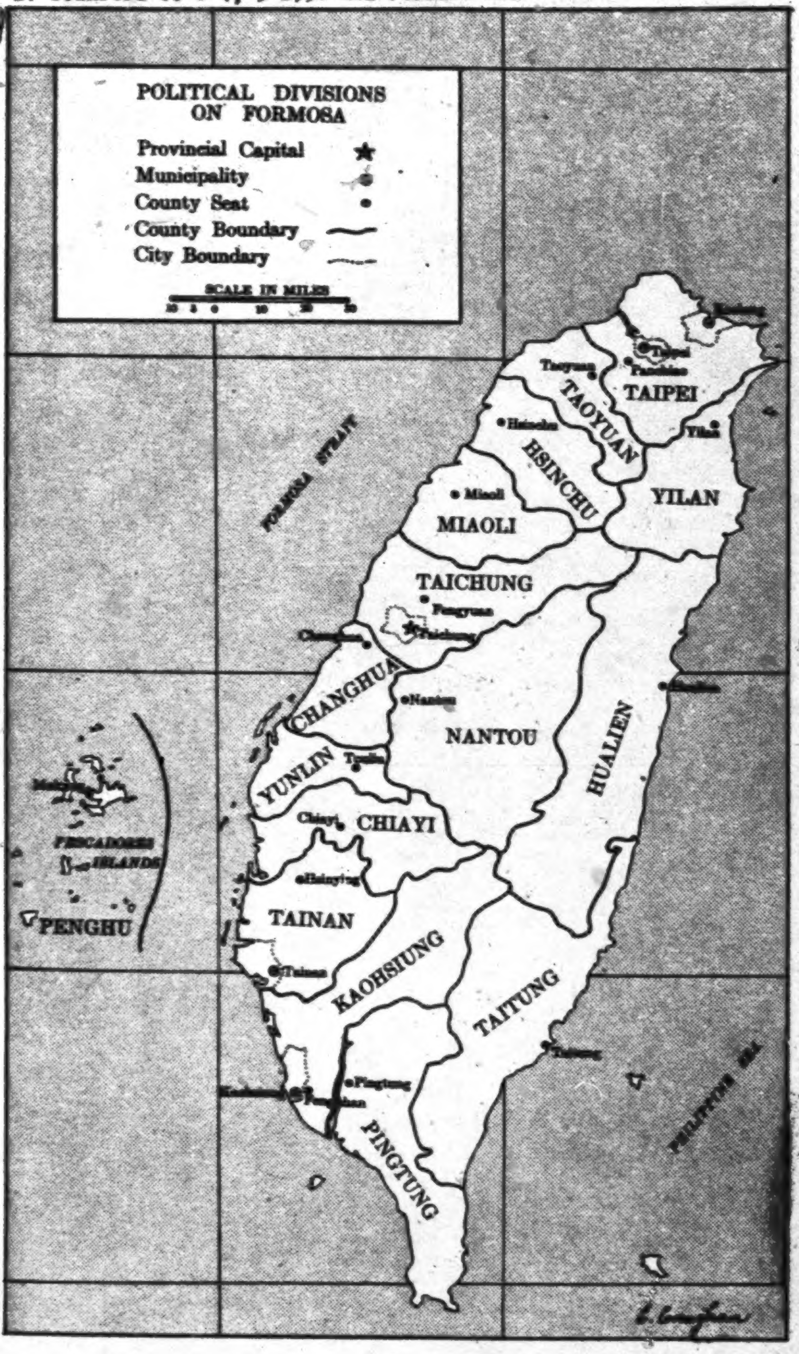
---

[3] Information on the important cities is taken from A.F. Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954, pp. 73-109.

[4] The registered civilian population, apparently not including military personnel and foreigners.

631

1: Stanford U. S-4, 5 1956 AD1 Formosa AD1

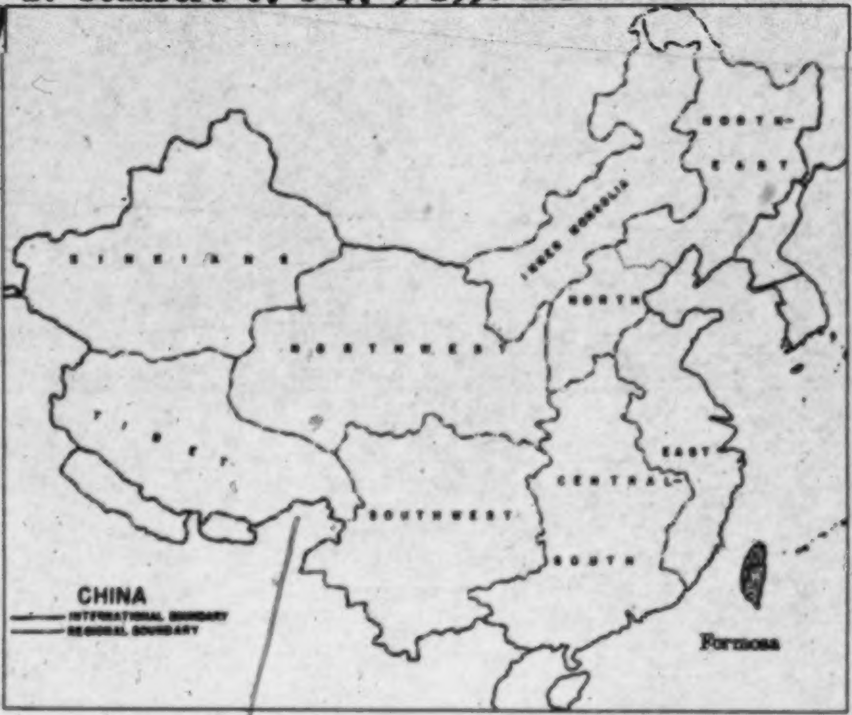

POLITICAL DIVISIONS ON FORMOSA
Provincial Capital ★
Municipality
County Seat •
County Boundary
City Boundary
SCALE IN MILES
10 5 0 10 20 30
FORMOSA STRAIT
PHILIPPINE SEA
Keelung
Taipei
Panchiao
TAIPEI
Taoyuan
TAOYUAN
Hsinchu
HSINCHU
Yilan
YILAN
Miaoli
MIAOLI
TAICHUNG
Fengyuan
Taichung
Changhua
CHANGHUA
Nantou
NANTOU
Hualien
HUALIEN
Touliu
YUNLIN
Chiayi
CHIAYI
Hsinying
TAINAN
Tainan
KAOHSIUNG
Kaohsiung
Fengshan
Pingtung
PINGTUNG
TAITUNG
Taitung
Makung
PESCADORES ISLANDS
PENGHU

A C

Reduce AC to BC

B C

[Facing p. 15]


NORTH-EAST
INNER MONGOLIA
SINKIANG
NORTH
NORTHWEST
TIBET
EAST
CENTRAL-SOUTH
SOUTHWEST
CHINA
INTERNATIONAL BOUNDARY
REGIONAL BOUNDARY
Formosa

[Facing p.15]

633 Nationalist China's Central Government as well as of the Taiwan Provincial Government.[5] 438 It is the most important center for commerce and the heart of air, railway, and highway transportation. Institutions of higher learning are concentrated here. The scenic spots, Grass Mountain (Tsaoshan) and Peitou Hot Springs, are nearby, to the north of Taipei.

Taichung

438 The fourth largest city, relatively new and growing, Taichung is located in the middle of Taichung Plain and is one of the island's agricultural centers. It has a population of 222,000.

Tainan

Located near the China Sea and twenty-nine miles north of Kaohsiung, is Tainan, ancient capital of Formosa. It is an agricultural center for sugar-cane, rice, and peanuts and is important in fish culture. The population is about 250,000. Forts Provintia and Zelandia, constructed by the Dutch, and the temples of Confucius and Koxinga (famous general of the Ming Dynasty, 1368-1644) attract tourists.

---

[5] According to Ya-chou T'ung-hsin [Asia Foundation Bulletin], August 17, 1955, the seat of the Provincial Government will be moved to Taichung on October 1, 1955. For construction and other reasons this has not been realized as of March 1956.

Kaohsiung

504
712 Kaohsiung is the second largest city and is known for its harbor and large-scale industries. It has a population of 300,000. [439] Because of its warm and rather dry climate, this port handles a major portion of the island's sugar, salt, and cement exports. The naval base of Tsoying is located in the city and the military fort, Fengshan, another important military base, is about six miles north of the city limits.

Makung

712
633 Makung, located in the west of the main island of the Pescadores, is an important naval base and the seat of the Penghu hsien government. The fact that this port lies in the Formosa Strait and between the China Mainland and Taiwan gives it strategic importance.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
AD1

Annex "A," Subparagraph 1a,
Sociological Background

GENERAL CHARACTER OF SOCIETY

1. Three Types of Social Integration.

182 Among Formosans, as among other peoples, there are three developmental ideal types of social integration correspondings to three developmental ideal types of society:

a) Integration by blood relationship -- tribal society
b) Integration by locality -- folk society
c) Integration by social function, or social need within an area -- national society

182 602 Blood relationship is the most direct and immediate principle of social integration. It is natural that primitive societies in their transition from band to horde to tribal society, are integrated on this principle. The aboriginal society in Formosa belongs to this type. We of course refer to integration by blood relationship and tribal society as an ideal type. Even in primitive societies there are relationships by locality and relationships by function, but blood is the main principle of social integration.

182 When a society increases in numbers and its scope is extended, various kinds of work

182 and functions are differentiated. Then the society becomes too complicated to be integrated by blood relationship. Integration by locality has to take its place. Though the dominant place is taken by locality, however, blood relationship still remains a very important principle of social cohesion. The principal of social integration of the Chinese in Formosa up to the early years of Japanese rule belonged to this type.

As a society continues to develop, some part of it will be urbanized, and handicrafts and commerce will develop. In an urban community, some members begin to make their living by means other than agriculture. Handicrafts and commerce, and later on various kinds of services, become the main concern of its members. People are integrated by their trades into guilds, and guilds are again integrated into some higher unit. This is the new principle of social integration, integration by social function or social need in its various aspects. At the same time handicrafts and commerce promote the exchange of goods, and the self-sufficient, closed village economy gradually evolves into a circulatory money economy. Eventually a national economy may develop. On the political level, a national economy requires standardization and unification, and half-independent localities within an area are generally integrated into an organic whole which becomes an administrative division of a modern state. A modern state with a national economy is a national society or civil society. In it, although social cohesion by blood relationship and locality are still important, social function or social need becomes the dominant principle of integration.

182 As long as the urban community still comprises only a small part of society, there will be no remarkable change. But when the scope of the urban community is extended and industry, commerce, and the field of services develop and become more important than agriculture, then the way of life changes greatly, agrarian society is transformed into industrial society, rural society is transformed into urban society. In Formosa the modern political-economic system was enforced by a colonial ruler, and industrialization and urbanization were begun only after the Japanese occupation.

2. Blood Relationship and Locality as Principles of Social Cohesion.

103 618 Among the place names in Formosa there are not a few called after the surname of a clan. Examples are, Tan-tso (Ch'en-tsu), which means the hamlet of the clan of the Ch'ens, or Lim-tso-liao (Lin-tsu-liao), which means the cottages of the clan of the Lins. Though hitherto not adequately noticed, this is an indication of the existence of the so-called clan-village, and it is a significant stage in social development.

103 Again, as in other countries, there are places named after the original native town of the residents. In one case the local name of a mainland town or city was adopted in Formosa, such as Chaochow (Ch'ao-chou) in southern Taiwan. In other cases, a prefix or suffix was attached to the

103 name of the town of origin. For example, Hsin-pai-kung means new Pai-kung. This case is parallel to that of the Scotch highlanders of Inverness who named their village New Inverness when they emigrated to Georgia. Tongan-ts'o is an example of a place name (Tung-an) with a suffix, which means the hamlet of the people of Tongan, a district on the Mainland. This is also an indication of the character of early settlements of the Chinese in Taiwan. When people moved to a new place, they naturally settled near their kinsmen. If kinsmen were too few, they settled with people from their town. In other words, blood relationship and locality are the principles of social cohesion at a certain stage of social development.

3. Towns of Origin of the Taiwanese.

162 While most Chinese in Formosa came from south China, there is a marked difference in the localities of their towns of origin. According to a survey made by the Japanese colonial government in 1926, of 3,752,000 Formosan Chinese, 83 per cent came from the province of Fukien, 16 per cent came from the province of Kwangtung, and the remaining one per cent were from other provinces. The Fukienese who comprised 83 per cent of the total may be further broken up as follows: 45 per cent from the prefecture of Chuanchow (Ch'üan-chou), 35 per cent from the prefecture of Changchow (Chang-chou), and three per cent from other prefectures. People from Chuanchow (45 per cent), people from Changchow (35 per cent), and Cantonese (the so-called Hakka) (16 per cent) are the three main groups.

162 Emigrants from Chuanchow came earliest, occupied the best places of the western plain, and engaged in commerce, trade and agriculture. The Hakkas came last. When they came, the most fertile soil of the plain was already claimed, so they had to settle in hilly places or mountain foothills. They mostly engaged in agriculture. People from Changchow came between these two in point of time, and also settled between the two in actual geographic regions. They engaged in commerce and agriculture. Hakka and Fukienese have different dialects; and even among the Fukienese, those from the prefecture of Chuanchow and those from the prefecture of Changchow speak with a different accent. The three groups have different patron gods, different associations, and have fought against each other in sanguinary wars. In daily contact, the same native town means higher affinity, higher consciousness of kind. Marriage takes place more frequently among people from the same original native town.

4. The Clan Village.

167 The Chinese seldom leave their ancestral shrines and graves behind them when they go abroad. Pressed by hard living conditions, one male member of the family may leave home for overseas, but the whole family seldom moves to a new place. Many came to Formosa only for a longer or shorter time, and having accumulated sufficient money, went back to their ancestral towns. Even if they settled permanently in the new land, they still kept an intimate contact with their kinsfolk in the old home town. This relationship was broken by the

167 Japanese colonial government, which wanted the Taiwanese to sever their ties with their fatherland.

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618 The early Chinese settlers came mostly to Formosa with their kinsfolk or town's people. On arriving on the island, the family group settled in a new place, and frequently used its clan name (surname) as the name of the village. This is the clan village. At first the clan village may have had only kinsfolk with the same surname as its members. Later on families related by marriage might join the village. As the people with the same surname consider themselves as belonging to the same clan, and intermarriage within the clan was barred by custom, all in-laws necessarily had a different surname. In-laws were the first heterogeneous element in the homogeneous clan village, but their number was very small. More in-laws might come to live, craftsmen or itinerant merchants might come and stay for a longer or shorter time. As time passed, the proportion of heterogeneous elements increased, but the original clan was still dominant in numbers, and constituted the so-called influential surname of the village. For instance, there was a Lim-tso-liao (means the hamlet of the Lins) near Peikang, Tainan. A survey done in 1930 showed that there were 327 households, consisting of 18 different surnames. Of these households 76.6 per cent were the kinsfolk of the influential clan of the Lins, and the other 17 surnames made up only 23.4 per cent of the total households.[1]

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[1] Yoshio Tomita, "A Study on the Settlement in Taiwan," Symposium of the Culture of Taiwan, Vol. I, 1943, Taipei, p. 179.

167 618 Professor Y. Tomita found that even though there were many villages which did not have the clan name as their place name, nevertheless each still retained one influential clan.[2] It is evident that settlement with kinsfolk was fairly common in early times.

5. Villages Formed by the People of the Same Native Town.

167 A survey made by the Japanese administration in 1926 revealed that a great number of villages in Formosa were formed by Chinese immigrants from the same native town on the Mainland. This type of settlement was more general than the clan village.

Both the clan village and the village consisting of the people of the same native town were highly homogeneous. As time passed, heterogeneous elements gradually increased. If the village was located in some place convenient for commerce and transportation, the heterogeneous elements rapidly grew. In the meantime, in response to the current social situation, the village community became the basic unit of social life, whether it derived from a clan village or from a village consisting of the people of the same native town.

6. The Function of the Village.

621 In pre-modern China, governmental administrative activity practically ended at the prefecture level. Most local affairs were left to the local community in the village and town, except

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[2] Ibid., pp. 176-188. Tomita's study was based on census report of 1930.

621 for tax collection, conscription and cases of capital crime which were handled directly by the prefectural government. In this respect the situation in Formosa under the Manchu regime was the same as that on the Mainland. Within the village, the elder was elected, and approved by the local government. He had some assistants under him. Public affairs and minor crimes were decided and disposed of by the village elders. At times the new settlers drew up rules for the administration of local affairs, and affairs for common interest were discussed and decided upon by the council of householders.

648 Manchu control of Formosa was always tenuous. Uprisings were frequent, and after the
631 first quarter of the 18th century internecine wars
669 occurred incessantly. As the government was not strong enough to keep peace and order, self-defense was left to kinship groups or groups of the people of the same native town. In this situation the influential kinship group was very significant. If it was strong, not only could it defend its kinsmen better, but it could even suppress other groups and enjoy various privileges. A strong clan insured survival and prosperity, and this was the reason why an abundance of male descendants became the ideal of life among the Formosan Chinese. This
[161] may account for the enormous rate of natural growth of Formosa's population which is still going on unabated. On the other hand, for defense against raids of aborigines and pirates, even the influential clan had to get the co-operation of other people. This led to territorial consolidation within the village.

631 669 As uprisings and clan wars became more frequent and widespread, often nearby villages united to make a league of defense. When one village was raided, a drum or gong would be beaten and the allied neighboring villagers would come to the rescue. To affirm their consolidation, common temples were constructed and common patron gods were worshipped. In rotation each allied village celebrated the yearly festival in honor of the patron god. In each case the allied villagers participated in the festival and feast. The blood tie was represented by the village ancestral temple, the territorial tie was represented by the local patronal god. Usually the worship of local patron gods was more frequent and enthusiastic. Sociologically speaking, it is safe to say that, in spite of the often emphasized Chinese ancestral worship and family spirit, the principle of locality took precedence over the principle of blood relationship during the Manchu period. As far as the mass of Formosan Chinese is concerned, this is true. However, in the case of a smaller number of the upper ruling class, the blood tie was still the dominant principle.

7. Breakdown of Folk Society.

612 178 631 Consciousness of the blood tie and locality bond was very strong among the Formosans in former times. When two persons found they had the same surname, they would consider each other as brothers or cousins. When a person introduced himself, he usually added his native

612 178 631 province. Associations of kinsfolk and associations of the persons of the same native town were organized in cities, and they performed a significant function as agencies for mutual protection and mutual aid. On the China Mainland, at least until recently, and among the overseas Chinese, these associations are still fairly active. So it was in Formosa up until the early years of the Japanese rule. Nowadays, many young Formosans do not even know exactly which prefecture is their native place on the Mainland. They pay little attention to ancestral shrines, and the remaining associations of kinsfolk or associations of the persons of the same native province no longer perform their former political and social functions. No doubt a radical change has taken place in the attitude of the people.

Since the Japanese administration proved able to keep peace and order with its vigorous police control, kin-groups and local associations for self-protection and mutual aid lost their significance. Gradually people became less eager to support these associations, and to the young generation, raised in peace and order, these associations became a thing of the past. With the administrative, industrial and economic improvement, self-sustaining and half-independent villages were integrated into an organic administrative system. Thus the folk society was broken down, and the people adapted themselves to modern political-economic system.

631 The colonial system was abolished after Formosa was restored to China in 1945. The Three Principles of the People advocated by Dr. Sun Yat-sen were adopted as the basis of politics and administration. It has been pointed out that under the Japanese rule certain advantages of modern technology were introduced "without... counterparts in social organization."[3] It is undeniable that organizational lag is a problem. Now, under the encouragement of the government, various organizations and associations are being promoted. Local self-government in particular is being strengthened. No doubt the development of education and the change from a colonial and dependent economy to an autonomous economy are incentives to stimulate active group co-operation. Social changes are inevitable, but time is too short to gauge how much and how fast the new developments will affect the general character of the Formosan society.

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3. G. W. Barclay, Colonial Development and Population in Taiwan, Princeton University Press, 1954, p. 255.

PART II

HISTORICAL SETTING

I. EARLY RELATIONS WITH MAINLAND CHINA

175 Because they possess no written language, the aboriginal people of Formosa cannot account for their own emergence on the island. Although the island of Formosa must have been known to the Chinese from time immemorial (its mountains are discernible on a clear day and its coast lies less than a day's sail from the Mainland), ancient Chinese chronicles contain few references to the island. Obscurity is heightened by the confusion of Formosa with the Ryu-kyu islands in ancient times. Most historians date the known history of Formosa from 605 when the Chinese Emperor Sui Yang Ti dispatched the first official mission to assert his authority over the island.[1] The direction taken by the voyagers and their description of the life of early inhabitants leave no doubt that Formosa was the island on which the imperial

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[1] Lien Heng, T'aiwan t'ung-shih [General History of Taiwan], Shanghai Commercial Press, 2nd ed., 1936, Vol. I, p. 2.

175 emissaries landed. Since then Formosa has been the destination of a number of similar expeditions, but none appear to have succeeded in subduing the hostile natives. During the reign of Kublai Khan (1263-1294), the first civil administration under a local official, given the rank of Hsü-chien-ssu [Inspector], was established in the neighboring Pescadores.[2] Despite the fact that Formosa and the Ryu-Kyu islands were discovered to be separate and distinct, the name Ryu-Kyu or Liu-ch'iu was still used for Formosa.[3]

During the Ming Dynasty (1368-1644), Formosa emerged as a retreat for Japanese and Chinese outlaws and malcontents. The Chinese rovers settled in the southwest region around the present city of Tainan; their Japanese counterparts made Keelung their headquarters. With superior armanent these men of the high seas had no difficulty in ousting the aborigines from the coastal areas. Combining piracy with legitimate trade, they grew in strength and

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[2] Ibid., p. 6.

[3] T'ai-wan Sheng T'ung-chih-kao [Gazeteer of Taiwan Province], Taiwan Sheng wen-hsien wei-yüan-hui [Historical Research Commission of Taiwan Province], Taipei, 1950-52, Premier Series, Book II, p. 8.

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wealth. They became so formidable that the Ming emperor tried to pacify them by offering them government commissions. One such chief who diverted his activities to government service was Cheng Chih-lung, the father of Cheng Ch'eng-kung (Koxinga), whose regime as ruler of Formosa lasted from 1662 to 1683.

II. UNDER THE DUTCH, 1623-1661

The Portuguese were the pioneers among Europeans exploring Far Eastern waters. Their permanent settlement was established at Macao in 1557. While trading along the coast of China and with Japan, they often sighted the island of Formosa, and despite the fact that they bestowed upon it the western name it bears, they never attempted to establish a settlement there.[4] Toward the end of the sixteenth century, the Dutch began to dispute the monopoly of commerce held by the Portuguese. However, repeated Dutch expeditions failed to dislodge the Portuguese in Macao. Encountering a typhoon during one of those unsuccessful missions, the Dutch fleet ran for shelter to the Pescadores. Thus acquainted with the islands, they later seized them and used them as a base from which

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[4] James W. Davidson, Formosa, Past and Present, London and New York, Macmillan & Co., 1903, p. 10.

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to raid the China coast and disrupt commerce between China, Japan, and the Philippines. The interference with regular trade had become so serious by 1624 that the Chinese were compelled to offer a treaty which gave to the Dutch certain commercial privileges with China if they would agree to leave the Pescadores and occupy a trading post on Formosa.[5]

In Formosa, the Dutch acquired a strategic location, from which Spanish commerce between Manila and China and Portuguese commerce between Macao and Japan could be made so precarious by constant attacks that much of it would be thrown into the hands of the Dutch, and thus Dutch trade with China and Japan could continue without interruption.[6] For defense, two forts were constructed, one called Fort Zelandia, at the entrance of Anping harbor, and another further inland, called Fort Provintia.[7]

Fearing the loss of the Chinese market and sensing the potential threat to the Philippines, the Spaniards seized the port of

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5. T'ai-wan Sheng Cheng-fu Hsin-Wen Ch'u [Information Bureau, Taipei Provincial Government of Taiwan], T'ai-wan Hsin-chih [A New Account of Taiwan], Taipei, 1903, p. 3.

6. James W. Davidson, op. cit., p. 13.

7. Fort Zelandia was located within the present confines of Anping, and Fort Provintia in present Tainan.

Keelung in northern Formosa in 1626 and later extended their domain to Tamsui. Tamsui, the port nearest the China Mainland, was already inhabited by a large number of Chinese merchants. The Dutch had no wish to tolerate the presence of a rival, but they were involved with England in a bitter struggle. For fifteen years they made no serious attempt to rid themselves of the Spanish.[8] In 1639, part of the Spanish garrison was transferred from northern Formosa to the Philippines to fight rebellious tribesmen in Jolo and Mindanao, and the fort at Tamsui was demolished.[9] Seizing this opportunity, the Dutch captured Northern Formosa after a brief seige in June 1653.

With the entire island under their control, Dutch trade flourished. Although enormous profits were derived from commerce, the Council of the Dutch East Indies Company also tried to extract as much wealth as possible from the island. The Chinese inhabitants, who numbered more than 50,000, were required to pay a head tax which yielded 200,000 guilders annually.[10] Heavy duties were levied on rice and sugar, the two staple products of the island. There was also a hunting tax, and a number of other taxes; "even the unfortunate fishermen... [were] obliged to give to the government a portion of their catch."[11] Resentment among the Chinese was high. In 1656 there was a revolt led by Kuo Huai, also known as Fayet, but he was defeated in fourteen days and over 4,000 Chinese were slaughtered.[12] After this incident the Dutch redoubled their oppression. On the least pretext Chinese settlers were thrown into prison and cruelly tortured. This mistreatment led the Chinese to look to their countrymen on the Mainland for deliverance.

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[8] Jose M. Alvarez, Formosa, Geografica E Historicamente Considerada, Barcelona, 1930, Vol. II, p. 80.

[9] Ibid., p. 81.

[10] Frederick Coyett; Verwaerloosde Formosa, Amsterdam, 1675, p. 15.

As previously mentioned, Cheng Chih-lung, one of the former leaders of the Chinese settlement in Formosa, had entered the service of the Ming emperor. In 1644, Peking was captured by the Manchus, who established the Ch'ing dynasty (1644-1912). Loyal supporters of the Ming Dynasty (1368-1644) attempted to oppose the Manchu invasion in South China, and Cheng was given the command of all loyalist forces. Cheng Chih-lung, having received a lucrative offer from the Manchus, surrendered to the invaders in 1646. He was succeeded by

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[11] J. W. Davidson, op. cit., p. 24.

[12] Lien Heng, op. cit., vol. i, p. 13.

175 his son, Cheng Ch'eng-kung, whom the Dutch named Koxinga,[13] one of the most extraordinary characters ever to appear in China.[14] The young Cheng was born of a Japanese mother and was educated at the Academy of Learning at Nanking. When his father was taken to Peking by the Ch'ing forces, he dramatically discarded his scholastic robe in the Temple of Confucius and vowed to continue armed opposition. Establishing his headquarters at Amoy and Quemoy, he gathered around him many able Ming supporters. He waged vigorous campaigns against the coastal provinces, retook a number of cities in Fukien, Chekiang, and Kwangtung provinces, and later advanced on Nanking. Although he suffered heavy losses before the wall of the old capital, his military powers were feared by the Manchus.

Unable to subdue Cheng Ch'eng-kung by military means, the Manchus resorted to the

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[13] When presented to the court at the age of twenty-two, he so impressed the Emperor that he was given the imperial family name, a signal honor. Ever since, the young Cheng has been hailed as Kuo-hsing-yeh or Lord of the Imperial Surname, from which the Dutch derived the name Koxinga and the Spanish Cotsen.

[14] Davidson, op. cit., p. 31.

175 "scorched earth" policy. By an imperial mandate, all the people from Kwangtung to Shantung who lived within ten or fifteen miles of the sea were ordered to demolish their homes and to move inland. Along the coast forts were erected every three miles, and each was garrisoned by one hundred men. No unauthorized person was allowed to pass into the restricted zone, so that Cheng's supplies would be completely cut off.[15] Deprived of provisions, Cheng Ch'eng-kung was compelled to look to other quarters for maintenance. The fertile island of Formosa, which his father once controlled, came to the attention of Cheng Ch'eng-kung. Preparations were made to establish a foothold across the strait.

The concentration of military power in Amoy aroused the apprehension of the Dutch authorities on Formosa. In 1660 the Dutch governor, Frederick Coyett, appealed to the Dutch East Indies Company at Batavia for help. Twelve ships were dispatched to Formosa, but the commander, Admiral Jan Van der Laan, had no respect for the military power of the Chinese. Leaving four of his ships in Formosa, he returned with the remainder of his fleet to Batavia and accused Governor Coyett of

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[15] Lien Heng, _op. cit._, p. 23.

175 cowardice.[16] On April 24, 1661, twenty days after the departure of the Dutch fleet, Cheng Ch'eng-kung appeared in the Pescadores with 25,000 of his best troops and entered Anping harbor five days later.[17] All communications between the forts of Zelandia and Provintia were immediately intercepted. After some ineffectual resistance, Fort Provintia and the deputy-governor who commanded it surrendered on May 4, 1661, and Fort Zelandia on February 1, 1662.

III. CHENG CH'ENG-KUNG'S KINGDOM 1662-1683

Leaving his son Cheng Ching in control of Amoy and vicinity, Cheng Ch'eng-kung to whom the last Ming emperor had given the title of the Prince of Yen Ping, moved his court to Formosa. The village of Sakkam where Fort Provintia was located was renamed Sheng-tien-fu[18] and made the capital of the island. Chinese laws, customs, and forms of government were introduced.[19] The pledge to regain the lost territory of the old dynasty was renewed, and faithful Ming adherents were placed in charge of the administrative departments.

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[16] Davidson, op. cit., p. 35.

[17] T'ai-wan Sheng T'ung-chih-kao, op. cit., Vol. IX, 1, pp. 174-204.

[18] Present-day Tainan.

[19] All traces of the Dutch occupation have been obliterated. The Dutch had taught the [see following page]

175 To acquaint himself with the conditions of his new domain, Cheng Ch'eng-kung conducted an inspection tour of northern Formosa. Having early suffered privation of food, Cheng devoted his first attention to the development of agriculture. Plots of land were allotted to his soldiers and liberal treatment was accorded to migrants from the Mainland, who were given land to cultivate exempt from taxation for three years. In return, they were obliged to undergo military training and would be expected to join the army should the necessity arise.[20] New schools, new roads, and markets were built, and prosperous settlements sprang up along the coast.

Encouraged by his triumph in Formosa, Cheng Ch'eng-kung aspired to add the Philippines to his kingdom. He asked an Italian missionary, Vittorio Riccio, to take a letter to Manila, demanding submission. When the ultimatum was delivered, the Spaniards

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19. [continued] natives to write their own language in Roman characters. Some land contracts written in Romanized native languages, which are on exhibit in the Taipei public museum, form the only Dutch relics. No Dutch words exist in the savage dialects. J. W. Davidson, op. cit., p. 48.

[20] Lien Heng, op. cit. Vol. 1, p. 22.

175 massacred very nearly all of the Chinese in the Philippines.[21] Only a handful escaped in small boats. Cheng Ch'eng-kung was infuriated by their reports and immediately launched preparations for an expedition of vengeance. Another landmark in history might have been created[22] had not death abruptly put an end to his ambition.

Cheng Ch'eng-kung, who died at the age of thirty-nine, was a strict disciplinarian. For some misconduct he is said to have ordered the execution of his own son, whose life was saved only by his father's sudden death.[23] Cheng Ching, the son, strengthened defenses of the island, established an effective administration, revived friendly relations with foreign powers, and attempted to invade the Mainland. At last, after a number of battles in the three coastal provinces of Fukien,

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[21] "No less than 24,000 Chinese were killed in cold blood." Japan in the Beginning of the 20th Century, the Japanese government, Tokyo, 1904, p. 779.

[22] The Spanish forces in Manila were not superior in strength to those the Dutch had possessed in Formosa, and it is not unlikely that Koxinga would have had like success, had he landed his party in the Philippines. Davidson, op. cit., p. 52.

[23] Ibid.

175 Chekiang, and Kwangtung, the Manchus, aided by the Dutch fleet, succeeded in ousting Cheng Ching from Amoy in 1680. He died in Formosa in 1681. Taking advantage of a family quarrel over the succession, the Manchus captured the Pescadores in July 1683. Cheng Ching's son surrendered in September.

IV. AN INTEGRAL PART OF THE CHINESE EMPIRE 1683-1895

In 1683, when the whole island came under Manchu rule, it was made part of Fukien Province. The capital was renamed Taiwanfu, and the island, Taiwan.[24] For administrative purposes the island was divided into three hsien (districts), namely, Taiwan, Fengshan and Chulo, each under a civil magistrate. The magistrates were under the authority of the prefect of Taiwanfu, who in turn was subordinate to the Taotai, or Imperial Commissioner, at Amoy and the Governor of Fukien Province. A garrison of 8,000 men, later increased to 14,000, was stationed in Formosa and the Pescadores. In view of the independent character of the populace and the stubborn opposition offered to the Manchu regime, the

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[24] Under the Dutch, the name of Taiwan applied to the region surrounding the bay. The island was always referred to by most Dutch writers as Formosa.

175 Ch'ing emperors refrained from introducing drastic government measures toward the reorganization or the development of the island. Nevertheless, there were a number of rebellions during the two hundred and twelve years of Manchu rule. Some had the objective of the restoration of the Ming Dynasty and others were uprisings against misrule and excessive taxation.

V. POPULAR REBELLIONS

The most notable insurrections against the authorities occurred in 1722 and 1787. The leader of one such insurrection was Chu I-kuei, who was of humble origin and made his living by raising ducks. Claiming to be a descendant of the dethroned Ming dynasty and rallying around him a number of Ming loyalists, he rose in 1722 against the Manchu magistrate at Fengshan who had executed two hundred persons for violating the new law instituted to preserve the camphor trees. The revolt soon spread to other parts of the island. In three months the rebels captured both Taiwanfu and Chulo. The government officers fled to Amoy. When Chu I-kuei was crowned Chung-hsing Wang, or Restoration King, the Manchu court was thoroughly alarmed. A large detachment, dispatched from Amoy and Namoy to Formosa to quench the rebellion, took two years to restore complete order.[25]

Another important disturbance was the insurrection engineered by a secret society called T'ien-ti Hui, established to overthrow the Manchu rule in China. It is said that it was originally organized by Cheng Ch'eng-kung himself.[26] Lin Shuang-wen was the head of T'ien-ti Hui in northern Formosa and Chuang Ta-t'ien was in charge of the same organization in the southern part of the island.

In 1786, the magistrate at Changhua, alarmed at the growing influence of the society, arrested a few of its members and put them to death. Protesting against their prosecution, Lin Shuang-wen raised the standard of rebellion and killed the local governor. In due course, Chulo and Hsiuchu were captured by the rebels. Members of the society in southern Formosa, led by Chuang Ta-t'ien, drove out the government forces from Fengshan. With the exception of Taiwanfu, the whole island fell under the control of the rebels. Four thousand troops from Kwangtung, three thousand from Chekiang, and one thousand Manchu regulars were rushed to relieve the seige on Taiwanfu, but were unable to stop the rebellion. The number of rebels gradually swelled to over one hundred thousand.[27] Emperor Ch'ien Lung (1736-1796), realizing the seriousness of the situation, called for reinforcements from the provinces of Szechwan, Hunan, Kwangtung, and Kweichow and placed these troops under the command of his ablest Manchu general, Fu-k'ang-an. After nine months of battling, the rebels were driven from the settled districts and the leaders were captured and put to death.[28]

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[25] T'ai-wan Sheng T'ung-chi Kao, op. cit., p. 80.

[26] Hsiao I-shan, "Tien-ti Hui Kao" [Study of Tienti Hui] in T'ai-wan Wen-hua Lun-chi [Collection of essays on the Culture of Formosa], Taipei, 1954, pp. 215-24.

Besides the numerous political uprisings, there were also feuds between emigrants from Fukien, the Haklos, and those from Kwangtung, the Hakkas. Among the settlers from Fukien Province there were rivalries between those who came from Ch'üanchou and those who came from Chang-chou districts. As the Chinese colonists spread toward the interior of the island, they also came into conflict with the aborigines, with attendant murders and reprisals. In this connection, mention should

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[27] T'ai-wan Sheng T'ung-chi Kao, op. cit., p. 81.

[28] In memory of the victory of the Imperial forces, the city Chulo was renamed Chia-i, meaning "commendable loyalty."

175 be made of the saintly figure of Wu Feng. A native of Chiayi, Wu Feng was a learned and respected man and was versed in the aboriginal languages. He went to live with the tribesmen as official interpreter and tried to persuade them to discard the barbarous practice of headhunting. Failing in his efforts and animated by a spirit of sacrifice, We Feng, at the age of 71, voluntarily made himself a victim. The aborigines were deeply distrubed when they discovered that they had killed their beloved friend, and they henceforth gave up headhunting. In commemoration of his martyrdom, which occurred on August 10, 1769, Wu Feng was deified as the god of Mount Ali. Temples were erected to perpetuate his memory, and he is revered and honored by the people on Formosa today.

B. CONTACT WITH THE OUTSIDE WORLD

177 In spite of governmental misrule and frequent disturbance, the natural wealth of Formosa attracted a steady migration from the Mainland. As a result of the energetic efforts of the hard-working new settlers, agriculture, commerce, and industry made remarkable developments on the island. About the middle of the eighteenth century, according to one authority, "nearly two millions of Chinese in Formosa engaged in the cultivation of sugar and rice, and about four hundred vessels were plying continually between the island and the Mainland Chinese coast.... A great part of the sugar consumed in the northern provinces of China was produced in the island, and the rice upon which millions of people in Fokien (Fukien) at that time depended almost entirely for their support, was derived from the same source."[29] Camphor was also a principal article of export and was declared a government

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[29] 29. Davidson, op. cit., p. 66.

1717 monopoly in 1720. The commercial potentialities began to attract the attention of Western nations searching for new fields of commercial expansion and colonial achievement.

Among the foreigners who came to Formosa during the eighteenth century was an Hungarian adventurer, Count Maurice de Benyowsky.[30] Having escaped from a prison camp in eastern Siberia, the count and his followers landed on the eastern shore of Formosa in August 1771. Hoping to found a colony for some European power willing to extend him support at favorable terms, he killed a thousand or more aborigines who opposed his exploration. He was met inland by a party of natives headed by a Spaniard, Don Hiernimo, a fugitive from Manila. Don Hiernimo introduced the count to a native chief, Huapo, with whom he formed an alliance to defeat an enemy tribe. For his assistance, Huapo presented Benyowsky with many precious gifts. The count embarked for Europe, taking a native along to serve as his guide for his return trip. But

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[30] As described in Maurice de Benyowsky, Memoirs and Travels in Siberia, Kamtschotka, Japan, the Liukiu Islands and Formosa, 2 vols., London, 1790. Since no other record of his visit exists, there is no way to verify the accuracy of his statements.

177 his scheme to found a colony on Formosa was of no great interest to European statesmen, who were not convinced the island was worth exploitation.

During the Opium War of 1840-42, the British on successive occasions bombarded Keelung and Taichung. Two British ships, *Nerbudda* and *Ann*, were wrecked on the coast, and the crews (261 men in all) were decapitated by the Chinese.[31] At the conclusion of another war with the British and French in 1860, four seaports of Formosa -- Tamsui, Keelung, Tainan, and Kaohsiung -- were open for trade. This began an era of commercial rivalry among the foreign powers. Camphor, sugar, rice, and gold were the principal exports. Surveys for the exploration of coal fields in northern Formosa were undertaken, and tea plantations were introduced from An-chi in Fukien. In 1868-70, the annual export of camphor amounted to 14,240 piculs (1,875,000 lbs.), and in 1870 sugar export was 74,000,000 lbs., increasing to 141,500,000 lbs.[32] in 1880.

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[31] Yen Hsing *Taiwan Chien Sheng Ch'ien-hou chih Kuo chi Kuan-hsi [Formosa's International Relations preceding and Following the Elevation to Provincial Status]*. *T'ai-wan Wen-hua Lun-chi* [Collection of essays on the Culture of Formosa], Taipei, p. 171.

[32] Davidson, *op. cit.*, pp. 405, 445-46.

The increase of foreign shipping also led to more frequent shipwrecks in the treacherous waters of the Formosa Strait. When a wreck occurred near the coast inhabited by the aborigines, the castaways often were captured and traded as slaves. Among the ill-fated vessels, several were American. The local Chinese authorities were unable to devise effective measures to prevent the maltreatment of the shipwrecked people. In March 1867 an American ship, the Rover, sank in a severe gale near the southeatern shore of Formosa. The captain, his wife, and the crew landed in a territory occupied by the Koalut tribe and were brutally murdered. The American government sent two ships, the Hartford and the Wyoming, and the combined crews landed and advanced inland. But the intense heat, the hostile jungle, and the fierce attacks of the natives soon forced them to withdraw. Seeing the futility of obtaining redress by military means, the American Consul at Amoy, General C. W. Le Gendre, ventured into the savage territory and conducted negotiations with the tribesmen. He succeeded in concluding a treaty of peace, according to which the headhunters promised from that time on to give shelter and assistance to castaways found on their shores.[33]

C. JAPANESE EXPEDITION OF 1874

The Japanese conducted a similar expedition in 1874, but with other motives. In 1871, fifty-four members of the crew of a Ryukyu fishing vessel had been murdered by the Botan tribe in southern Formosa. The Chinese government in Peking disclaimed any responsibility, saying that the tribesmen were not under their jurisdiction. The Japanese, who had declared a protectorate over the Kyu-kyus in 1872, saw this as opportunity to further their aggressive designs. Count Okuma Shigenobu of the Imperial Council carefully prepared a scheme for the eventual seizure of Formosa. In January 1874, a special Formosan department was installed in the Tokyo government with Okuma as the head.

Lieutenant General Saigo Yorimichi was appointed commander-in-chief of the military expedition. Advance agents, disguised as merchants, surveyed the entire island and collected military intelligence. A large contingent of Japanese troops landed in

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[33] Le Gendre, Report on Amoy and the Island of Formosa, Washington, 1891, and "First Visit to the Interior of Formosa," U.S. Diplomatic Correspondence for 1868.

177 Liangk'ou (Liang-kiau) Bay on May 9, 1874, crushing the Botan tribesmen at Shih-men (the Stone Gate). The savages resisted fiercely, but they could not withstand the heavy artillery fire of the Japanese. The losses on both sides were heavy. During the campaign many Japanese soldiers also perished from disease. Unwilling to risk further penetration into the mountain fastness, the Japanese proceeded with their plan for a permanent encampment in Southern Formosa. The anxiety of the Chinese was aroused. Two Chinese warships arrived in June, and 25,000 troops under the command of the governor of Fukien were used to reinforce the garrison at Taiwanfu. Rumors spread of imminent war between China and Japan. Foreign powers were prepared to intervene. Count Okuma was sent by the Japanese emperor to negotiate a settlement with the Chinese government, and he demanded an indemnity of three million taels (approximately two million gold dollars) to cover the expenses of the expedition. Agreement between the two governments was finally reached on October 31 and the amount of the indemnity was fixed at 500,000 taels.[34]

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[34] Yen Hsing, op. cit., p. 177.

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D. THE FRENCH BLOCKADE OF 1884

177 The Japanese campaign awakened Chinese authorities to the urgent need for a thorough reorganization of Formosa's administration. It was decided that the island should be elevated to provincial status, new fortifications constructed along the coast and linked by telegraph lines and highways, and modern machinery utilized in coal fields and sulphur pits. Sulphur was declared a government monopoly in 1877.

Before the new measures could be introduced, Formosa was involved in another international incident. War broke out over Annan (Indo-China) between China and France. At the end of the war, under the pretense of occupying Formosa as material security for the payment of indemnity, the French attempted to seize the island. After heavy bombardments, 3,000 French marines landed at Keelung. The Chinese fortified themselves behind earthworks on hills surrounding the port. Unable to make any appreciable advance toward Taipei, the French were driven back to their boats. A blackade of the island, unusual since war had not been declared, was subsequently instituted by the French and continued through the winter. In June 1885, a treaty was signed and the French agreed to lift the blockade and withdraw from Keelung.

IX. PROGRESSIVE POLICY UNDER LIU MING-CH'UAN

175 The success of the Chinese defense in warding off the French attack[35] owed much to the leadership of the new governor, Liu Ming-ch'uan. Liu, a good soldier and an able administrator, had been transferred from Fukien Province, arriving at his new post only a few days before the commencement of hostilities. In 1885 Formosa was formally made an independent province and divided into four fu (prefectures), and eleven hsien (districts). The prefectures were: Taiwan, Taipei, Tainan, and Taitung; the districts were: Changhua, Taiwan (Taichung), Miaoli, Yunlin, Tamsui, Yilan, Hsinchu, Anping, Chiayi, Fengshan, and Hengchun.

Taichung was chosen as the future capital of the province and named Taiwanfu, while the former Taiwanfu, capital of the island since the Dutch period, was renamed Tainanfu.

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[35] "The campaign was unique in that the foreign forces were not always the victors, and that France, one of the greatest military powers in the world, was forced to admit that the actual results of the campaign frequently failed to correspond with the carefully laid plans, that the anticipated victories, in at least two instances, were victories of China -- and that altogether, from a military standpoint, the war was a failure." Davidson, op. cit., p. 220.

176 Pending the construction of the new capital city, Taipei was made the temporary capital, and so it has remained to the present day.

Governor Liu applied himself to the strengthening of the island defense and the improvement of communications. Keelung was developed into a modern harbor. A railway linking Keelung with Taipei, later extended to Hsinchu, was constructed. Telegraph lines joined Taipei with Tainan and Kaohsiung, uniting the north and south. Cables were laid between Anping and the Pescadores and between Tamsui and Foochow, joining Formosa to the world's telegraphic system. Work on several highways was begun, and streets were paved inside the city wall of Taipei. To introduce jinrickshas, the government ran them at its own expense for some time and then turned them over to the coolies.[36] The government also introduced modern street lighting.

Reconstruction work imposed a heavy financial burden on the newly instituted province. Export duty on sugar, in addition to that on tea and camphor, was levied. New tax on riceland was collected. Camphor was again declared

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[36] Davidson, op. cit., p. 280.

176 a government monopoly in 1886. Opposition both from the people and foreign traders became very marked. In June 1891, Liu Ming-ch'uan retired. His successor, trying by extensive economy to win popularity among the islanders, made no effort to carry out Liu's progressive program. Camphor monopoly was again abolished and coal mines which had been operated by the government were closed.

War broke out between China and Japan over Korea in July 1894. China was defeated, and forced to accept the Treaty of Shimonoseki in April 1895. The treaty provided for the cession to Japan of Formosa and the Pescadores, and was bitterly resented by local Chinese. A deputation of prominent residents was sent to Peking, presenting protests to the Emperor. When their protests proved of no avail, the Formosans declared the island an independent Republic. A local army of 50,000 men was raised to resist Japanese occupation. Dispatches were sent to foreign powers for recognition and support.[37] Because no outside aid was forthcoming, the new republic offered little resistance when the Japanese landed at San-tiao-chiao in May 1895 and advanced from Keelung to Taipei. T'ang Chin-sung, the president of the

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[37] *Ibid.*

176 Formosan republic, escaped to the Mainland. General Liu Yung-fu took up his work in southern Formosa and continued the organized opposition for another five months.

V. HALF CENTURY OF JAPANESE OCCUPATION (1896-1945)

Although the Japanese conquest of the island was completed early in 1896, underground movements to resist subjection to Japanese rule remained strong among the populace. Armed uprisings were frequent. "As fast as one band was broken up, new bands arose in other places, and both soldiers and police were wearied out without having apparently accomplished anything. The fact that occasionally peaceable inhabitants were mistaken for brigands and treated accordingly by punitive expeditions, finally led some of these people to turn brigands. Thus the end seemed as far off as ever."[38] During the first twenty years of Japanese occupation, 1895-1915, there were at least fourteen important revolts, all ruthlessly suppressed. As a result of indiscriminate slaughter following each rebellion, it has been

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[38] Yosaburo Takekoshi, Japanese Rule in Formosa, trans. by George Braithwaite, London, Longmans & Co., 1907, p. 4.

175 estimated that 650,000 Formosan Chinese lost their lives in the half century of Japanese rule.[39]

No less ruthless was the Japanese persecution of the aborigines. Since 1910 the Japanese have launched many campaigns to quash revolts and to drive away tribesmen from regions which the Japanese timber companies desired to exploit. However, despite their ruthless tactics,[40] the Japanese were unable to achieve their objective with complete success. As observed by a foreign missionary, "These courageous and liberty-loving people were the only group in the island who were not conquered by the Japanese arms."[41]

In addition to the revolutionary movement, since 1918 there has been agitation, mainly among students, for representative government and for the modification of harsh laws. Petitions for political reforms were presented to the Japanese Diet, but the liberal movement was soon suppressed by the Japanese police. Leaders were thrown into prison, and new restrictive measures were proclaimed.

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39. Li Chi-fei, Taiwan, Shanghai Commercial Press, 4th printing, 1947, pp. 110-11.

40. J. W. Ballatine, Formosa, A Problem for United States Foreign Policy, Washington, D.C. The Brookings Institution 1952, footnote, p. 32.

41. James Dickson, missionary in Formosa, in his pamphlet, Stranger than Fiction, quoted by Han Lih-wu, Taiwan Today, Taipei, Hwa Kuo Publishing Co., 1952, rev. ed., p. 41.

175 Although Japan did succeed in establishing order, the people had never been allowed any political freedom. In 1941, the Institute of Pacific Relations made a study of how the Chinese population lived under forty-five years of Japanese rule. The investigator, Mr. Andrew J. Grajdanzev, reported in 1942 in his book , Formosa Today:

> "In the Western world British policy in India evoked much criticism. Yet conditions in British India cannot even be compared with those in Formosa. The Indian people can organize; they use their own languages in middle schools and even in the universities; they publish their own newspapers and books in their own languages; they have their own political groups and parties, their voice and their criticisms are heard in the political assemblies; certain important industries of India are now in the hands of Indians. However limited all these rights and opportunities to use them may be in India, they are infinitely greater than those of the people of Formosa."[42]

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[42] Andrew J. Grajdanzev, Formosa Today, New York, Institute of Pacific Relations, 1942, vi.

A. ECONOMIC DEVELOPMENT UNDER THE JAPANESE

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Japan's exploitation of Formosa falls into two periods: (1) from 1895 to 1936; (2) from 1936 to 1945. During the first period, Formosa's economy was geared to the demands of the Japanese homeland. The island was developed to export sugar, rice, salt, and other primary products in exchange for Japanese manufactured goods and fertilizers. Japan took between 90-95 per cent of the exports and supplied 85-90 per cent of the island's imports.[43] To facilitate transportation, a network of excellent railroads and highways was constructed, and the harbors, especially those at Keelung and Kaohsiung, were modernized. Industries were owned and operated either by the government or by large Japanese corporations, with very little participation by the local people. Chinese workers were paid wages 50 per cent lower than those paid Japanese workers on a similar job.[44]

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[43] Taiwan, A geographical Appreciation, compiled by the Dept. of Mining and Technical Survey, the Canadian Government, Ottawa, 1952, p. 15.

[44] Grajdanzev, op. cit., p. 116.

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During the second period Formosa became the base for Japan's southward expansion. In 1936, Admiral Kobahashi was made the seventeenth Governor-General of Formosa. His appointment marked the return of military government.[45] In his first public speech, the Governor-General laid down a new two-point program for Formosa; cultural assimilation and industrial development.[46] An intensive campaign was launched to assimilate Formosan Chinese, who were encouraged to discard their own customs, religion, and language. The Japanese language was used in the schools. Chinese language newspapers were prohibited, and even banking had to be conducted in Japanese. Simultaneously the industrialization of the island was accelerated; mining and industrial enterprises were encouraged, and commercial crops such as cotton and ramie were raised. Machinery and raw materials were imported from Japan and other parts of the Japanese Empire in order to make the island self-sufficient industrially and to meet the demands of Japanese military efforts.

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[45] The first seven governors-general in the period 1895-1919 were either admirals or generals. From 1919 to 1936 the governors-general were chosen from civilian officials. From 1936 on they were admirals.

[46] Hideo Naitor, Taiwan- A Unique Colonial Record, 1937-38 Ed., Tokyo, Kokusai Nippon Kyokai, 1938, Ch. VI, pp. 53-54.

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B. FORMOSA'S ROLE IN THE SECOND WORLD WAR

175 With a view to the maximum utilization of the manpower in Formosa, the Japanese administration took a census of Formosa's population every five years, beginning in 1920. [162] The population totalled 5,872,084 in 1950; the number of males between the ages of 19 and 40 was estimated to be over 928,000.[47] The invasion of China by Japan was resumed in 1937, and war in the Pacific broke out in 1941. Despite their efforts at assimilation, the Japanese in Formosa exercised great caution in mobilizing the vast reservoir of manpower available in Formosa. Until 1942, no Formosan was allowed to own or harbor firearms of any kind. In June 1942, the Japanese imperial government called for voluntary military service. Japanese sources[48] claimed that hundreds of thousands of Formosan Chinese had registered, but because the Japanese would not trust the latter with arms, only a few hundred were accepted for training. It was not until February 1944 that the Japanese granted the first army commission to a Formosan Chinese, who was a sublieutenant in the Army medical service.

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[47] Chen Cheng-hsiang, "Taiwan Chih Jen-kou" ["The Population of Taiwan"], Taiwan Yin-hang Chi Kan [Bank of Taiwan Quarterly], Vol. 4, No. 1, March 1951, p. 47-49.

[48] Tokyo, Domei English broadcast, Jan. 11, 1943.

175 Except for a small contingent of aborigines who took part in jungle warfare in Southeast Asia, the Formosans were used principally in non-combat service. They worked with the labor corps, carrying supplies and serving the army as auxiliaries. On the Chinese Mainland, the Japanese did employ Formosan Chinese extensively in espionage work. Many of the latter took advantage of this opportunity to work as double-agents to extort money and to engage in other unscrupulous activities. "This led to bad blood between the islanders and the rigorousness with which the islanders were treated after the Chinese reoccupied the island in 1945."[49]

Formosa was of value to Japan in World War II because of its strategic position. It formed the training ground for the army and a base for trans-shipment to the war theaters in South China and Southeast Asia. Many new airfields were constructed from which surprise attacks on Manila and Hong Kong were launched. The naval base at Makung in the Pescadores was transferred to Kaohsiung, where the harbor had undergone extensive development. In 1943, when the war was growing in intensity, there was a plan to incorporate the Formosan

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[49] Ballantine, op. cit., pp. 45-46.

175 Chinese and the tribesmen into a volunteer army. In 1944 the island of Formosa became the target of American planes. Although it was bypassed by American land forces, the damage inflicted by aerial bombings was so extensive that only 20 per cent of Formosa's industrial plants are said to have been in operation[50] when the Chinese assumed control after Japan's surrender in September 1945.

VI . CHINESE REOCCUPATION, 1945

On December 1, 1943, after the Cairo Conference, Roosevelt, Churchill, and President Chiang issued a declaration, subsequently accepted by Stalin, that "all the territory of Japan stolen from the Chinese, such as Manchuria,

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[50] Of 42 sugar refineries, "only eight narrowly escaped from bombings by American Air Forces." "At the time of Japanese surrender in August 1945, generating capacity of the western power system was reduced to 32,000 kw out of total installed capacity of 308,000 kw as a result of allied air bombing." Industrial Enterprises of National Resources Commission in Taiwan, Nat'l Resources Comm., Taipei, 1951, Part I, chap. 6, p. 1 and cahp. 7, p. 2.

175 Formosa, and the Pescadores, shall be returned to the Republic of China." Accordingly, after the surrender of the Japanese in 1945, Formosa and the Pescadores were restored to China.

The first postwar Chinese governor of Formosa was General Chen Yi. The Nationalist Government was at that time engaged in a life-and-death struggle with the Communists. The resources of Formosa were diverted to carry on the warfare on the Mainland. As a result, little was done to encourage the rehabilitation work so badly needed in Formosa. The Formosan Chinese, who had rejoiced at reunion with their mother country, were disappointed because they had been denied the opportunity to participate in the control of confiscated Japanese enterprises. Friction arose between the Mainlanders and the islanders, culminating in a riot on February 28, 1947, in which many Mainlanders and native Formosans were killed.[51] Chen Yi was replaced by Dr. Wei Tao-ming, former Chinese Ambassador to the United States. When the Chinese Mainland war overrun by the Communists in 1949, the central government of the Republic of China moved to Formosa. General Chen Cheng,

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[51] George Kerr, "Formosa's Return to China," Far Eastern Survey, Oct. 15, 1947, pp. 205-08; "Formosa: the March Massacre," Far Eastern Survey, Nov. 5, pp. 224-26.

175 Chiang Kai-shek's chief lieutenant, was appointed governor. The influx of a flood of refugees and retreating troops created many difficulties. Chen's most notable achievement during his brief tenure of office was the introduction of agrarian reforms, which limited the rental on farm land to 37 1/2 per cent, as an initial step toward the implementation of the "land-to-the-tiller" policy. Chen Cheng was elevated to the presidency of the Executive Yuan (prime minister) in December 1949. He was succeeded as governor by Dr. K. C. Wu, former mayor of Shanghai.

Under the Japanese, Formosa was divided into five provinces (Japanese, *Chu*) which were subdivided into fifty-one counties (Japanese, *Gun*) and five incorporated cities (Japanese, *Shi*) and three districts (Japanese, *Cho*). The districts administered undeveloped regions. Administrative power was invested in an autocratic governor-general directly appointed by the emperor of Japan. There was an advisory council of forty members appointed by the governor-general, who was its chairman. All high officials, civil or military, were Japanese and were appointed and dismissed at the recommendation of the governor-general. The people of Taiwan had no representative organization and no voice in the legislation or administration of the island.

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Following the revolt of February 28, 1947, the new Chinese provincial administration accepted seven Formosan Chinese as commissioners in a total of fifteen. When K. C. Wu became governor, another effort was made to broaden the participation of local Chinese in government. The provincial commission was enlarged to include seventeen Formosans in a total of twenty-three. Greater number of local people were employed in the civil service. By June 1950, of the total of 81,006 persons employed by the provincial government, Formosans accounted for 53,024.[52] On August 16, 1950 the administrative areas were revised from eight *hsien* and nine municipalities directly under the province to sixteen *hsien* and five municipalities. Steps were immediately taken to promote self government in the province. The popular election of the magistrates of the sixteen *hsien*, the mayors of the five municipalities, the members of the *hsien* and municipal councils, and the members of the Provincial council was held for the first time in July 1950 and completed in March 1951. A new election took place in 1953-54. Since that time the election law has been modified so that future elections will take place on the same day in all sections of Formosa.

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[52] Fred W. Riggs, *Formosa under Chinese Nationalist Rule*, New York, The Macmillan Company, 1952, p. 49.

b00 same day in all sections of Formosa.

175 K. C. Wu resigned as governor in 1953 and was replaced by O. K. Yui. The term of Generalissimo Chiang as first president of the Republic of China under China's new constitution expired in May 1954. A second session of the First National Assembly was convened in Taipei in February 1954. Chiang was re-elected and Premier Chen Cheng was elected vice-president. Governor O. K. Yui succeeded Chen as president of the Executive Yuan. Yen Chia-kan was appointed governor and he is still in office today. Yen has served for many years on the Council for United States Aid (CUSA) of the Executive Yuan. It is expected that there will be closer Sino-American co-operation during his administration.

Annex "A," Subparagraph 1c, Sociological Background

POPULATION OF FORMOSA

I. INTRODUCTION

161 The population of Formosa [Taiwan] in 1955 is estimated[1] at about 10,400,000, including about 7,500,000 Formosa-born Chinese (hereafter Formosan Chinese, as distinguished from Mainland Chinese), about 2,000,000 Chinese civilians from the Mainland, 700,000 military personnel and troops, and about 200,000 non-Chinese tribes of aborigines. The latter are composed of seven linguistically distinct tribes believed to have come originally from Malaya, the Philippines, New Guinea, and Kwangtung Province. The Formosan Chinese are descendants of Mainland Chinese who migrated from Fukien and Kwangtung provinces chiefly during the eighteenth and nineteenth centuries.

II. ETHNIC GROUPS

162 563 The population of Formosa may be divided into two distinct ethnic groups: the aborigines and the Chinese.

A. Aborigines

Prior to 1600, Formosa was sparsely populated by so-called aborigines, referred to by the Japanese as "savages" and by the Chinese government as "mountain tribes" or "brethren of the mountains," whose habitations ranged

[Footnote 1 next page.]

162 over most of the island. However, an increas-
563 ing number of Chinese immigrants, with their superior civilization, pushed these natives into mountainous areas and thereafter occupied the fertile lowlands of the island.

563 According to language, custom, and phys-
105 ical characteristics, the aborigines are commonly divided into seven tribes: Taiyal, Saiset, Bunun, Ami, Paiwan, Tsou, and Yami. Although physical characteristics may vary, they are generally brave warriors and can run long distance or climb steep mountains and cross swift streams with skill and speed. Their short stature, light-brown skin, and straight black hair, as well as their language and customs, suggest a close resemblance to the Malays of the South Seas. They are independent in nature, passionate in temperament, and show respect for the aged and love for the young. They live in villages and build huts made of wood and stones. Some 70,000 aborigines are called Pepohuan, meaning assimilated savages. Their customs and activities are similar to those of the Formosan Chinese who had assimilated them in the lowlands. Tribesmen who were not able to bear the economic and cultural pressures exerted upon them fled to the mountainous interior.

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1. This estimate is the result of reconciling various estimates offered by writers on Formosa's population. The analyses in this chapter, however, will be based on the total registered population because the household registry system provides the only statistics available on the population. The total registered population in 1953 was 8,438,016.

upon them fled to the mountainous interior.

B. Formosan Chinese

161 The Formosan Chinese are often called "Taiwanese," a term which refers to those who were born in Formosa prior to 1945. When the surviving general of the Ming Dynasty, Cheng Ch'eng-kung, who is known to the Western world as Koxinga, took refuge in Formosa in 1662, the Chinese population was estimated at 100,000. During the eighteenth and nineteenth centuries, immigrants from Fukien and Kwangtung provinces increased the population to more than 2,600,000 by 1898, according to figures published at that time by the Japanese government on the island. In 1953, the population was estimated at about 7,500,000. There are about five Fukienese descendants to every one of Cantonese descent. The Fukienese are thought to be clever and gentle and the Cantonese are thought to be aggressive and industrious.

C. Mainland Chinese

The influx of Mainlanders to the island following the evacuation of the Central Government to Taipei in 1949 brought the Mainland Chinese population on Formosa to about 2,000,000[2]

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[2] Mutual Security Agency Mission to China, Economic Development on Formosa, 1951-52, Taipei, 1953, p. 9.

161 They have come from various provinces on the Mainland and are composed of government employees, professionals, and technical personnel.

III. PATTERN OF SETTLEMENT AND DENSITY

311 In the early days of settlement, Chinese immigrants first cultivated the fertile land and plains of the coastal areas from which the aborigines had been driven. The inhospitable and inaccessible nature of the mountains protected the aborigines from continued exploitation but also served to contain them.

About ninety per cent of the total population now occupies the coastal lowlands; the remainder, among them the aborigines, is scattered over the central mountain area which comprises two-thirds of the island's total area. The people from Kwangtung, arriving later than the people from Fukien, settled in the foothills and cultivated rice terraces. The Fukienese inhabit most of the lowland and urban areas.

161 The average density of the population is 610 persons per square mile.[3] However, 2,500 persons must share the amount of food produced on one square mile of cultivated land (nutrition density).

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[3] Statistical Abstract of the Republic of China, Executive Yuan, Directorate-General of Budgets, Accounts and Statistics, Taipei, 1955, p. 28.

Table 1. Population Density and Nutrition Density of Selected Countries
(per square mile)

Country	Year	Population Density	Nutrition Density
Formosa	1953*	610	2,500
Japan	1950	586	3,534
Belgium	1948	727	2,200
United States	1949	51	188

* Calculated from Statistical Abstract of the Republic of China, 1955, p. 28; Natural Resources Section, General Headquarters, Supreme Commander for Allied Powers, as quoted in Norman Wycoff, "An Outline of Demographic Conditions and Prospects on Taiwan," Chinese-American Economic Cooperation, Vol. I, No. 5, May 1952, p. 44.

~~AD 1~~ 45:Stanford U. S-4, 5 1956 AD 1 Formosa AD1

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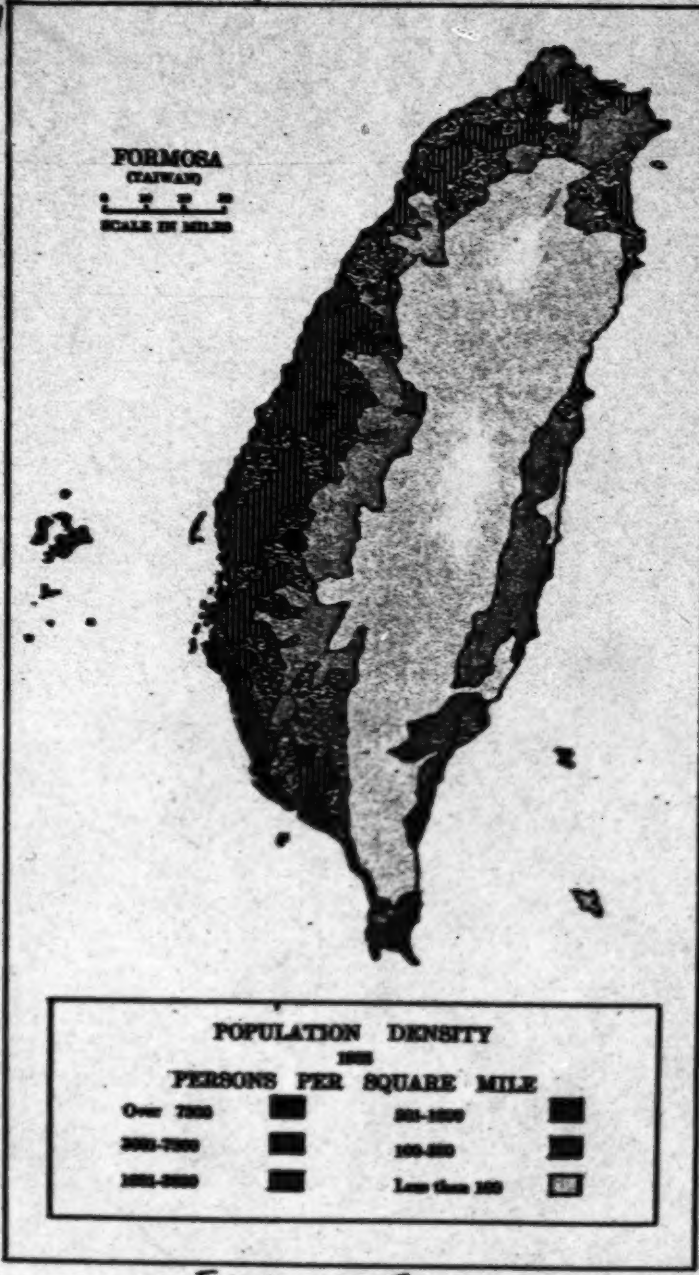
FORMOSA
(TAIWAN)
0 10 20 30
SCALE IN MILES
POPULATION DENSITY
PERSONS PER SQUARE MILE
Over 7500
2501-7500
1001-2500
201-1000
100-200
Less than 100

[Facing p. 71]

Reduce AC to BC

161 The accompanying figure shows that the most heavily populated areas lie in the Taipei Basin and in the plains of Taichung and Tainan. In 1953, Taipei City had a density of 3,600 persons per square mile; the density for Kaohsiung was 1,100. The least-populated _hsien_ of Taitung has only 12 persons per square mile.[4]

IV. COMPOSITION OF THE POPULATION

A. Age Composition

162 Formosa's average population is young. As of 1953, population under the age of fifteen comprised 42.2 per cent of the total and those under forty years of age comprised 82 per cent of the total.[5] Old people have never made up a large share of the population. Improved medical facilities in the past decades have reduced infant mortality and helped to maintain the youthfulness of the population. The birth rate has been constantly high. The changes in age composition for the last twenty years are shown in Table 2. An age structure of this sort is costly to society; there are few to support many -- as was the case in 1953, when each group of one hundred persons between the ages of fifteen and sixty-four, the most productive working years, had to support eighty others, although not necessarily all of the hundred were employed.[6]

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[4] _Ibid._

[5] United Nations, Statistical Office, _Demographic Yearbook, 1954_, New York, 1954, [illegible]27.

[6] _Ibid._

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162 In contrast, the corresponding ratio[7] for Japan in 1950 was 68, for the United States 55, and for Sweden 36. Attempts to reduce this burden of dependency include encouraging the youngsters to work as soon as they are physically able and requiring them to forgo the training that would make their efforts more productive. Society must shoulder responsibility for the education and care of the younger population.

[See following page for Table 2.]

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[7] George Barclay, A Report on Taiwan's Population to JCRR, Princeton University Press, 1954, p. 50.

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45:Stanford U, S-4, 5 1956 AD 1 Formosa
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Table 2. Population By Age and Percentage in Each Age Group. */

Age	1930	1940	1950	1953
		A. Population (in thousands)		
0-14 years	1,767	2,432	3,129	3,524
15-39 "	1,684	2,057	3,075	3,274
40-64 "	756	870	1,161	1,279
65 and over	107	151	189	206
Total	4,314	5,510	7,554	8,284 */
		B. Percentage by Age Group		
0--14 years	41.0	44.2	41.3	42.2
15-39 "	39.0	37.3	40.8	39.8
40-64 "	17.5	15.8	15.4	15.5
65 and over	2.5	2.7	2.5	2.5
Total	100.0	100.0	100.0	100.0

[Footnotes next page.]

162 The age-sex pyramid of Formosa's population reveals that fertility is extremely high today and mortality was high in the past. A comparison of the 1953 and 1954 pyramid shows that fertility has increased in recent years. This should not be interpreted as a post-war phenomenon, but should be attributed to the gradual improvement of health conditions and medical facilities. The crude rate of birth has remained over 40 per thousand for most of the last fifty years. There has been a drastic reduction in infant[8] mortality in recent years -- 135.5 in 1940 and 35.3 in 1952. These facts will probably keep the population "young" for a long time to come.

B. Sex Composition

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*/ For 1930 and 1940, data are for Taiwanese; for 1950, figures represent the total registered population as taken from George Barclay, A Report on Taiwan's Population, Taipei, JCRR, 1954, p. 48, in which figures for 1930 and 1940 are taken from respective census reports and figures for 1950 are from Taiwan Province, Statistical Abstract, Twelfth Period, Taipei, 1951; 1953, from United Nation, Statistical Office, Demographic Yearbook, 1954, New York, 1954, p. 127.

+/ This figure derived from another source does not correspond with the figures for total registered population given earlier. The discrepancy may be due to the exclusion of foreigners and other groups.

8. United Nations, Statistical Office, Demographic Yearbook, 1953, New York, 1953, pp. 220-21.

162 In Formosa, there are 105 males to every 100 females.[9] In 1940 when the population was more permanently settled, the ratio[10] was 102 to 100 females. The many male immigrants who came in after the war probably account for the present sex ratio.

C. Urban and Rural Population

369 167 Urbanization has increased rapidly in the past few decades. In 1920, four per cent of the population lived in cities of more than 100,000 inhabitants; in 1952, the number in such cities had increased to 21 per cent. Economic development in the last years of Japanese control and in the current postwar years, and the influx of Mainland people in the late 1940's and early 1950's, have contributed to growth in urban population. The preponderance of agricultural population has become less pronounced, and the high degree of ethnic and cultural homogeneity has been diminishing.

The majority of young people come to the cities with the hope of finding jobs; immigrants from the Mainland are mostly non-farmers and therefore flock to the cities; and most wives follow their husbands to the cities.

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[9] China News Press, Chung-hua Nien-pao, 1954 [China Annual, 1954], Vol. III, Taipei, 1954, p. 78.

[10] Provincial Government of Taiwan, Results of the Seventh Population Census of Taiwan, 1940, Taipei, 1953, p. 40.

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361

ADL

Table 3. Percentage Distribution of the Total Population in Communities by Size 1920-1952 */

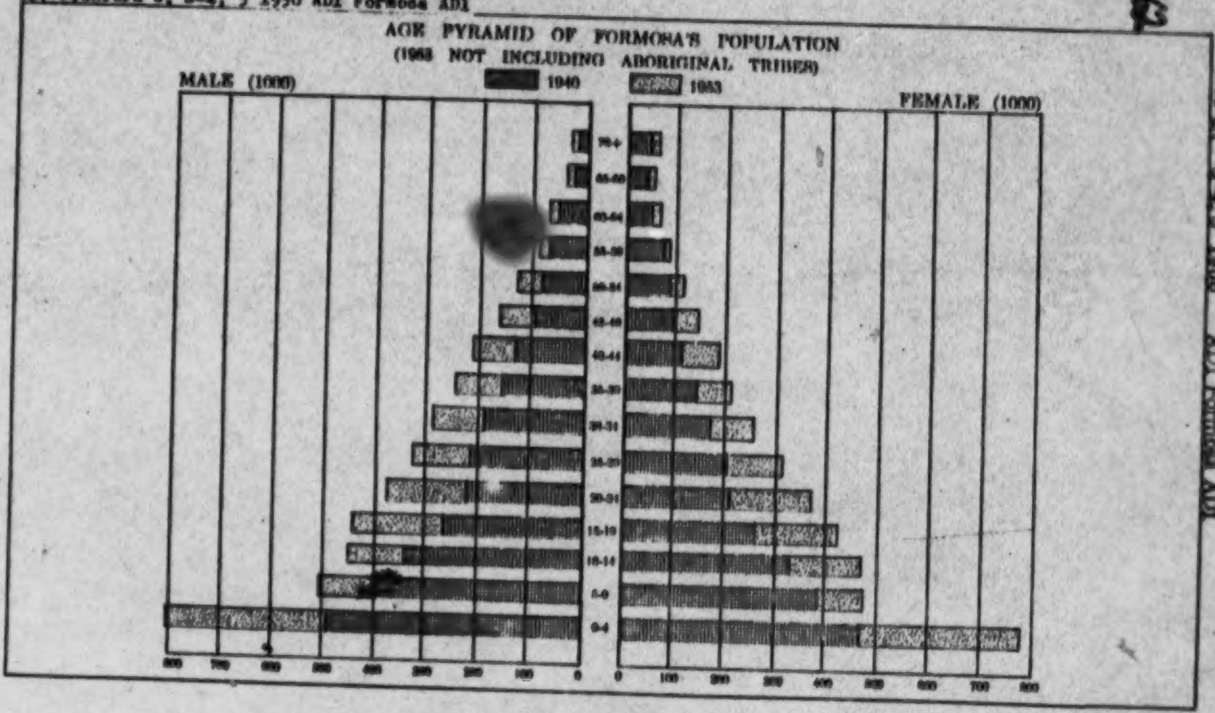
Year	Under 20,000	20,000 30,000	30,000 40,000	40,000 100,000	100,000 or more	Others+
1920	75	11	5	3	4	1
1930	59	22	2	8	5	3
1940	36	34	7	8	12	2
1952	23	25	17	12	21	2

*/ Arranged from governmental reports of each census, as quoted in Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954, p. 255.

+/ Aborigines and boat dwellers.

162

1: Stanford U, S-4, 5 1956 AD1 Formosa AD1



AGE PYRAMID OF FORMOSA'S POPULATION
(1953 NOT INCLUDING ABORIGINAL TRIBES)

1: Stanford U. S-4,5 1956 AD1 Formosa AD1

A

C

B

B

Reduce AB to CA

[Facing p. 79]

D. Occupational Composition

463 In 1953, of 5,400,000 people more than
162 twelve years of age, 1,800,000 were engaged in agriculture, 23,000 were in industry, and 460,000 were students. There were 2,000,000 people without formal occupation, but most of them (1,700,000) were housewives. Agriculture is the most predominant occupation although the proportion of agricultural workers to the total working population has declined gradually during the last forty years. From 1915 to 1940, the proportion of farmers in relation to the total working population decreased from 70.1 per cent to 62.4 per cent;[11] the percentage for 1953 was 53. For detailed breakdown, see Table 4.

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[11] T'ai-wan-sheng Wu-shih-i-nien-lai T'ung-chi T'i-yao [Statistical Summary of Taiwan for the Past Fifty-one Years] , Taipei, Provincial Government of Taiwan, 1946, pp. 130-38; See also Results of the Seventh Population Census of Taiwan, 1940, Taipei, 1953, pp. 68-69.

463
162

Table 4. Population by Occupation */

	Population	Male	Female
Over 12 yrs. of age	5,422,044	2,777,938	2,644,106
Agriculture	1,811,767	1,277,139	534,628
Mining	36,659	32,786	3,873
Industry	232,873	207,752	26,121
Commerce	251,230	231,866	19,364
Transportation	68,196	65,480	2,716
Public Service	119,728	109,489	10,239
Professionals	74,644	57,925	16,729
Service Industry	225,969	168,181	57,788
No Occupation **/	2,005,777	219,851	1,785,886
Student	462,469	291,971	170,498
Military Service x/	58,967	57,563	1,404
Others	72,805	57,935	14,870
Under 12 yrs. of age	3,015,972	1,548,700	1,467,202
Current total y/	8,438,016	4,326,708	4,111,308

45:Stanford U. S-4, 5 1956 ~~AD1~~ AD 1 Formosa
AD2

E. Marital Status

162 A great proportion of the people 15 years old or more are married. The rate of divorce in Formosa is low, about 0.45 per 1,000 population as compared with 2.48 for the United States.[12]

Table 5. Marital Status of Population 15 Years Old and Over - 1953 */

	Number	Percentage
Single	1,447,803	30
Married	2,966,356	62
Widowed	388,191	8
Divorced	30,508	-
Total	4,832,858	100

*/ China News Press, Chung-hua Nien-pao 1954 [China Annual, 1954], p. 77.

F. Educational Status

212
87 Forty-five per cent of the total population know how to read and write. If children under six years are excluded, the percentage of literacy rises to 59 per cent. Over 90 per cent of the children from six to twelve years of age now attend primary schools; primary education is compulsory. Because many illiterate people are over school age, a literacy movement as well as other types of adult education are being promoted. A detailed breakdown of the educational status of the population is shown in Table 6.

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[12] United Nations, Demographic Yearbook, 1953, pp. 276-77.

Table 6. Educational Status of the Population*

(December 1953)

	Male	Female	Total
Over 6 years of age	3,368,349	3,168,769	6,567,118
College education:			
Graduates	62,090	10,964	73,054
Students	13,972	2,868	16,840
High school education:			
Senior high graduates	117,846	45,846	163,692
Senior high students	42,359	13,679	56,056
Junior high graduates	142,626	73,325	215,961
Junior high students	109,852	44,288	154,140
Primary school education:			
Graduates	993,071	565,583	1,558,654
Students	766,410	571,184	1,337,594
Private school education	174,109	91,093	265,202
Illiterate	946,014	1,779,921	2,725,935
Under 6 years of age	958,359	912,539	1,870,899

*China News Press, Chung-hua Nien-pao, 1954 [China Annual, 1954], p. 78.

45:Stanford U. S-4,5 1956 ADI Formosa ADI

V. MIGRATORY MOVEMENTS

167 From the beginning of the seventeenth century to the end of the nineteenth century immigrants from the Chinese coast increased the population in Formosa. However, due to prohibitive measurs against immigration taken by the Japanese, the major increase after 1895 was caused by excess of births over deaths. In the post-war years, particularly when the Nationalist Government abandoned the China Mainland, a vast number of civilians and troops came to Formosa, swelling the population by about 20 per cent. It was estimated that in 1952 there were about 9,700,000 people on the island; of this number one-fifth were Mainlanders.[13]

166 Internal migration is largely limited to rural people moving to urban areas. Because of familial and local ties farmers rarely move unless they plan to change their occupation. Moreover, because of the lack of frontier lands, farmers do not gain by moving to other areas unless they change their livelihood. To the farmers, migration means departure from rural life and activities. As a result, most people tend to stay in or near the locality in which they were born. About 60 per cent of the 857 heads of households surveyed by the Joint Commission on Rural Reconstruction were born in the village in which they now live, 17 per cent were born in other villages in the same township (chen), and 10 per cent were born in other townships in the same

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[13] Arthur F. Raper, Rural Taiwan--Problem and Promise, Taipei, JCRR, 1953, p.290, Appendix B contributed by Profs. Ruey Yih-fu and Chen Shao-hsin of National Taiwan University.

166 hsien.[14] The few rural dwellers who moved from the townships surveyed went to the larger cities or to the east coast. Two townships on the east coast showed a relatively large immigration[15] during the period 1937-52; most of the newcomers were from the western and southern parts of the island. If employment opportunities in the urban areas are improved, it is believed that there will be a great migration from every township.[16]

In recent years, industrialization has been another factor which influenced a number of people to move from rural areas to urban and industrial areas. Cities having more than 100,000 inhabitants in 1920 accounted for 4 per cent of the total population; while in 1952, large cities accounted for 21 per cent. If we consider that the increase in total population during 1920-52 was 120 per cent -- 3,800,000 to 8,200,000 -- the increase in urban population which amounts to more than 420 per cent is of extreme importance and indicates how rapidly urbanization is taking place in Formosa.

VI. VITAL STATISTICS

163 A. Births

The birth date of Formosa has been constant and high. During the period 1920-53, the number

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[14] Ibid., p. 205; the remaining 13 per cent are probably from other hsien and provinces.

[15] Raper, loc. cit.

[16] Ibid.

45:Stanford U. S-4, 5 1956 AD I Formosa
AD1

163 of births per 1,000 population has remained over 40, except in the year 1948 when the rate was 39.7.

Table 7. Births According to Age of Mother, 1950-52*/
(per 1,000)

Year	All Ages	Under 15	15-19	20-24	25-29	30-34	35-39	40-44	45 +
1950	143.2	0.1	60.9	245.0	295.3	266.9	191.5	110.9	29.4
1951	168.0	0.1	67.7	287.1	349.5	310.9	225.9	131.8	34.6
1952	158.5	0.1	53.1	271.8	341.7	293.8	219.9	113.4	29.3

*/ United Nations, Statistical Office, Demographic Yearbook, 1953, New York, 1953, pp. 144-45.

163 In the prewar years, the birth dates were found to be lower in the northern and central parts of the island; higher rates prevailed in the southern and eastern districts.[17] Exactly the same tendency exists today, according to a study of sixteen townships made by the Joint Commission on Rural Reconstruction.[18]

General fertility ratios for the Taiwanese in 1930, 1935, and 1940 were estimated at 204, 215, and 206 (births per 1,000 women 15 to 49 years of age).[19] In the twelve months ending in September 1952, the sixteen townships studied by the Joint Commission[20] had a fertility ratio of 290 for every 1,000 women between the ages of 15 and 45. Mothers 25 to 29 years old are the most prolific. But, as a whole, Taiwanese women do not avoid the risks relative to frequent pregnancy and childbirth.

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[17] George Barclay, *Colonial Development and Population in Taiwan*, *Princeton University Press*, 1954, p. 249.

[18] Raper, *op. cit.*, p. 196.

[19] Barclay, *op. cit.*, p. 243.

[20] Raper, *loc. cit.*

AD1

B. Deaths

165

While the birth rates for the last few decades remained scarcely changed, the death rates were reduced to less than half during the same period (see Table 8). The present death rate of 9.5 compares favorably with the rates of the United States (9.6) and Canada (9.0) for 1950.[21] However, it is possible that the registration system may have presented a lower death rate in Formosa because some deaths went unrecorded as a result of administrative laxity, or because relatives of the deceased hoped to continue to receive the additional rice ration.

In cities where adequate medical facilities are available, the death rates are definitely lower.[22] A great number of infants die, but children who attain the age of 10-14 may be expected to live to be adults. After the age of fifty, the number of deaths increases rapidly.

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[21] United Nations, op. cit., p. 168-69.

[22] Norman Wycoff, "An Outline of Demographic Conditions and Prospects on Taiwan," Chinese-American Economic Cooperation, Vol. I, No. 5, May 1952, p. 54.

(faces p. 86.)

165

Table 9. Death Rates by Age and Sex*

	1950	1951	1952
Under 1			
Male	39.9	42.7	37.7
Female	36.5	38.0	36.6
1-4			
Male	23.0	23.4	16.8
Female	25.0	26.5	19.7
5-9			
Male	3.2	3.4	3.1
Female	3.6	3.3	3.4
10-14			
Male	2.5	2.2	1.8
Female	2.0	1.8	1.6
15-19			
Male	2.2	2.2	1.8
Female	2.2	2.0	1.8
20-24			
Male	3.4	3.5	3.0
Female	3.5	3.3	2.8
25-29			
Male	4.2	4.7	3.9
Female	4.2	4.1	3.2
30-34			
Male	5.4	5.4	4.6
Female	5.1	5.3	4.3
35-39			
Male	6.2	6.8	5.7
Female	6.5	6.2	5.3
40-44			
Male	10.3	9.6	8.0
Female	8.8	8.7	6.6
45-49			
Male	13.9	13.5	10.9
Female	10.6	10.2	8.3
50-54			
Male	20.3	18.7	15.6
Female	15.7	13.0	10.5
55-59			
Male	30.5	26.5	23.6
Female	21.1	18.2	14.7
60-64			
Male	41.1	41.4	35.7
Female	30.5	28.0	25.2
65-69			
Male	58.2	57.8	52.5
Female	41.4	38.4	34.1
70 and over			
Male	126.4	131.5	117.9
Female	93.9	[illegible]	90.5
Average, All Ages			
Male	11.5	11.7	9.9
Female	11.2	11.4	9.8

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* United Nations Statistical Office, *Demographic Yearbook*, 1953, New York, pp. 184-185.

[Facing p. 86]

45:Stanford U. 5-4, 5 1956 AD 1 Formosa

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Table 8. Taiwan Birth Rates and Death Rates */
(per 1,000) +/

Year	Birth Rates	Death Rates	Rate of Natural Increase
1920-24 aver.	41.8	25.8	16.0
1930-34 aver.	45.5	20.6	24.9
1935-39 aver.	44.7	20.2	24.5
1948	39.7	14.3	25.4
1949	42.4	13.1	29.3
1950	42.5	11.3	31.2
1951	49.9	11.6	38.3
1952	46.6	9.9	36.7
1953	45.3	9.5	35.8

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*/ United Nationa, Statistical Office, Statistical Yearbook 1954, New York, 1954, pp. 36, 41.

+/ Excluding tribal aborigines in all cases and foreign nationals after 1949.

AD1

VII. POPULATION GROWTH AND GOVERNMENT POLICY

168

The outstanding feature of population growth in Formosa is the constant high birth rate as against the rapidly declining death rate. The natural rate of increase in population has been estimated at 25 or more per thousand.[23] However, in view of the statistics presented by the Department of Civil Affairs[24] and the United Nationas Statistical Office, the rate of natural increase for Formosa may be given as 30 or more. This rate of growth will probably continue as the result of medical improvements, interest in public health shown by the Joint Commission of Rural Reconstruction, the government's indifference to birth control, and the reluctance and financial inability of the people to restrict the number of their family. At this rate, the population will have doubled in less than a quarter of a century.

The results of the population upsurge are obvious. More educational and social institutions will be necessary, or their operations must be expanded, to take care of the increased population. There will be more people to farm the land. The number of jobs in cities and industrial areas probably will not increase as rapidly as the number of your people who seek work each year.

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[23] This estimate is based on the vital statistics of the pre-war years as well as on statistics obtained from the household registry. Registration may lack accuracy because of a tendency to over-record the number of births and under-record the number of deaths.

[24] China News Press, op. cit., p. 77.

168 Because agricultural frontiers are becoming scarce, a tremendous acceleration in industrialization and expansion of non-agricultural employment will be essential to the welfare of the people.

Although the problems of growth have been discussed by many people, the government has not taken any steps to regulate the increase in population. In fact, officials avoid discussion of birth control and attempts at public discussion of the subject are not encouraged.[25] Some war-minded leaders believe that high birth rates should be maintained so that there will be many young people available for conscription. The government does not prohibit the use of contraceptive devices, but many people do not have the opportunity to buy or the money to pay for these devices, which must be imported at the expense of the country's dollar reserve.[26] In the meantime, there is no prospect that the government will take strong countermeasures against the increase in population. Nor is there any urgent feeling on the part of the populace that this growth in population somehow must be halted.

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[25] Geroge Barclay, A Report on Taiwan's Population to the Joint Commission on Rural Reconstruction, Princeton University Press, 1954, pp. 100-101.

[26] Ibid.

Annex "A," Subparagraph 1e,
Sociological Background

LANGUAGE IN FORMOSA

Major Languages and Dialects

19 In Formosa there are several language groups, each with its own language or dialect. Most important of the languages and dialects are: the Min-nan dialect (or Amoy dialect), the Kuo-yü (commonly referred to as Mandarin), Japanese, the Hakka dialect, and the languages of the aborigines. To a minor extent, the dialects of Shanghai and Canton are used.

Considering the educational and historical background of the population, a very rough approximation of the number of speakers of each language and dialect may be ventured:

Language or Dialect	Approximate Number of Speakers
Min-nan dialect	7,000,000
Mandarin	4,000,000
Japanese	4,000,000
Hakka dialect	1,500,000
Aboriginal languages	200,000

Language varies, first, according to ethnic groups, and second, according to the length of time the ethnic groups have been on the island. The population of Formosa can be divided into two distinct ethnic groups, namely the Chinese

19 and the aborigines. The latter's language consists of seven different dialects which belong to the Malay-Polynesian family.[1] They are the dialects of Taiyal, Saiset, Bunun, Tsou, Paiwan, Ami, and Yami. These dialects have no written script.

The Chinese fall into three language groups: Mainland Chinese, Formosan Chinese of Fukien descent, and those of Kwangtung ancestry -- Hakkas. The Chinese who come from Mainland China speak Mandarin[2] as a rule, although a variety of dialects representing Shanghai, Canton, Foochow, etc., are spoken by a good number of them. While not proportionate in degree, it may not be an exaggeration to say that all dialects of northern, central, and coastal China are represented in Formosa.

The Formosan Chinese, except some of Kwangtung descent, speak Min-nan (閩南) as typified by Amoy (廈門) and Swatow (汕頭) dialects. Most of the Hakkas -- a minority mainly of Kwangtung descent -- can understand and speak the Min-nan dialect, although they have an entirely different Hakka dialect of their own.

Japanese is spoken by those who inhabited the island prior to the end of World War II. Most of the adult Formosan Chinese and adult

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[1] Cf. Tung-ho Tung, Languages of China, Taipei, 1953, China Culture Foundation, p. 14: "Malay-Polynesian Family consists of languages spoken in the Malay Peninsula, in some parts of Indo-China, and in the Pacific Islands."

[2] It covers southern and northern Mandarin as spoken in central and northern China.

AD1

19 aborigines, as a result of fifty years of Japanese rule, are at least able to understand Japanese. Japanese was taught in schools as the official language, and a knowledge of the Japanese language continues to be general all over the island.

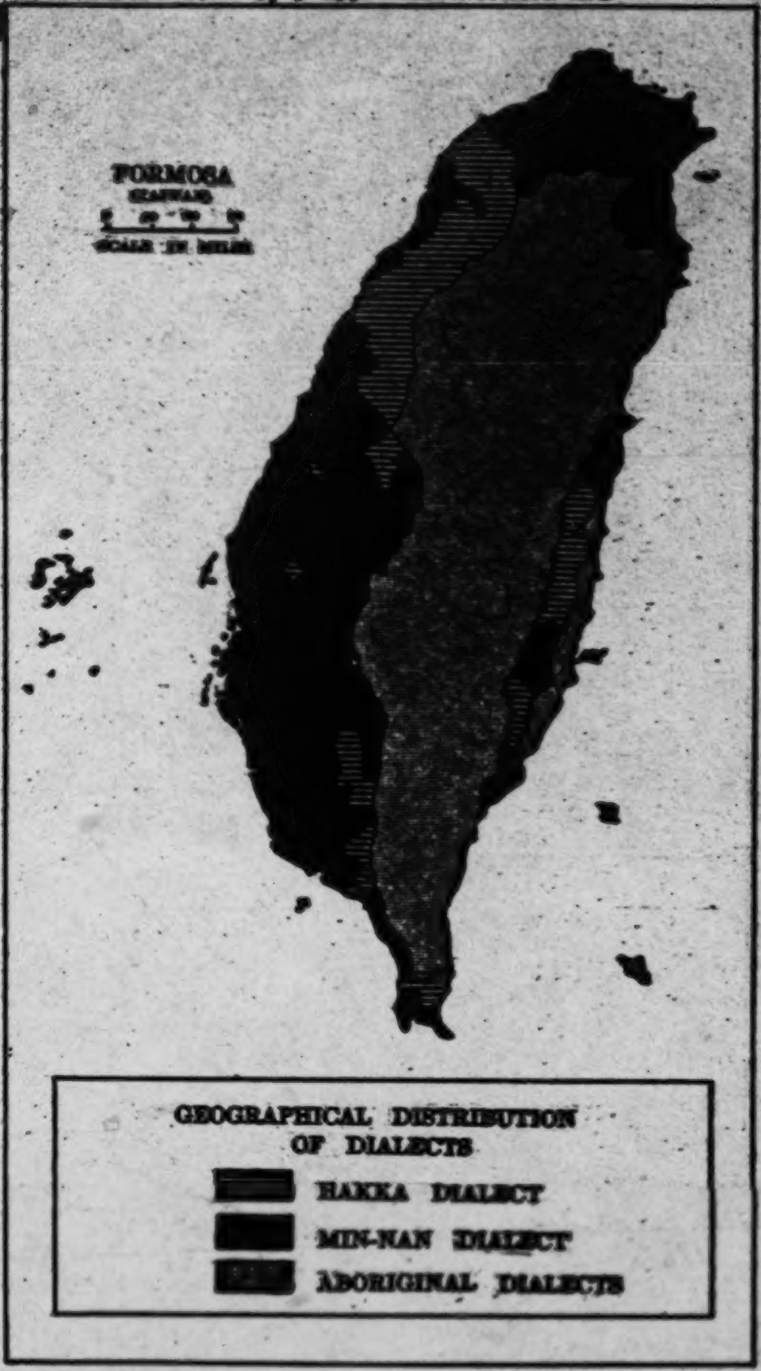
Geographical Distribution

Among the Formosan Chinese and the aborigines, distribution of languages is determined by geographical location of ethnic groups. The accompanying figure shows that the Min-nan dialect is widely spread over the southern plains and northern section of the island while the Hakka dialect is dominant in the eastern trench and hsien [counties] of Taoyuan, Hsinchu, and Miaoli. The lines of geographical demarcation should not be construed to imply that over these lines one dialect is not understood by those who speak the other. The actual situation, with few exceptions, is quite the contrary. Many of the Hakkas, because of occupational similarities, migration, and communication with the Fukinese, speak the Min-nan dialect with native fluency. However, in some remote Hakka villages in the eastern trench, a traveler not equipped with a knowledge of the Hakka dialect may find it necessary to communicate in sign language.

The aboriginal dialects are distributed in the central and eastern mountains. Their dialects are numerous and complex, as is exemplified by the fact that when members of the same tribe are separated geographically several sub-dialects will be spoken. Mountain tribesmen often find themselves

1: Stanford U. 8-4, 5 1956 [illegible] Formosa [illegible]

19


FORMOSA
(TAIWAN)
SCALE IN MILES
GEOGRAPHICAL DISTRIBUTION OF DIALECTS
HAKKA DIALECT
MIN-NAN DIALECT
ABORIGINAL DIALECTS

A C
B C

Reduce AC to BC

[Facing p 92]

19 total strangers as far as a common speech is concerned.[3] The Taiyal and Paiwan tribes, which cover large areas, are good examples of this phenomenon.

Since the Chinese Mainlanders are dwelling chiefly in urban areas, the distribution of Mandarin follows closely the boundaries of their settlement. However, it must be noted that Formosan Chinese who speak Mandarin are increasing gradually over the entire island.

The Written Languages and Their Problems

212 Mandarin is the official language on the island and is used in administration, jurisdiction, education, and, to a large extent, in commerce. Its written form and that of the Min-nan and Hakka dialects are practically the same because all three belong to the Chinese Language Family. Their characteristic features as well as their problems are similar to those on the China Mainland.

Romanized Min-nan dialect has been used by some missionaries and some Formosan-Chinese Christians. For instance, a Bible has been written in Roman alphabet with diacritical marks indicating the tonal features of the Min-nan dialect. During the Japanese rule an attempt was made by some Formosan intellectuals to popularize the romanization of the dialect. They claimed it would help abolish illiteracy, because those who could not read anything written in Chinese could read its equivalent in Min-nan dialect if they would master the alphabet together with the tonal

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[3] Sainosuke, Fujisaki, Taiwan no banzoku [Savage Tribes of Taiwan], Tokyo, 1936, Kokushi kankokai, pp. 637.

212 marks. The Japanese did not encourage the movement, for they were attempting to assimilate the Formosans. The present status of the romanized Min-nan dialect has not changed, probably because it is looked upon as an obstacle to the spreading of Mandarin.

Knowledge of Foreign Languages

19 The Japanese language is not considered a foreign language here, for it has been adopted by nearly half of the population.

The number of people who can speak English is limited to those who have studied or lived in English-speaking countries, to local students who have limited ability to speak or to understand, and to those who come in contact most often with foreigners on the island. About one per cent of the population has ability to communicate in the English language while another four per cent has knowledge of elementary English.

No classic in the Russian language are given in the National Taiwan University -- the highest institution of learning in Formosa. Thus, it may be said that a knowledge of the Russian language is negligible.

Role of the National Language and Future Trend

The fact that Mandarin has been designated as the national language should not obscure the prevalence of the Mir-nan dialect, which has

19 served for centuries as the social language of Formosa. Nearly all of the Formosan Chinese consider this dialect as their mother-tongue and speak it in their daily life. Among the people not previously educated in Japanese or Mandarin, the Min-nan dialect is the only means of oral communication. Most adults who received a Japanese education find Japanese more convenient in writing and in conversation. Likewise, the Formosan Chinese youth now attending schools find Mandarin most convenient for reading and writing. It is this last point that suggests the future significance of Mandarin.

The government is making an all-out effort to infuse non-Mandarin-speaking people on the island with knowledge of the national language. Social education, the establishment of supplementary classes throughout the primary school systems, and lessons by radio are some of the means employed. School children are quickly adopting the new language, and it is believed that in the future Mandarin will become the most important language in Formosa.

In the years to come, as the present generation grows older, Mandarin will gradually replace the local dialects as well as Japanese. It seems possible to say that in fifty years, assuming continuation of the present conditions, the native dialects and Japanese will have no linguistic importance in Formosa.

Annex "A," Subparagraph 1f, Sociological Background

SOCIAL STRUCTURE

I. SOCIAL STRATIFICATION

1. General Characteristics

565 Originally Formosa was a frontier for adventurers. In the new land people were less constrained by their cultural heritage and more independent. In the documents of the Manchu era it is stated that the Formosan people refused to degrade themselves by servitude, and that male and female servants were imported from the mainland.[1] The two centuries of Manchu rule were interspersed with a sequence of uprisings, some large, some small. The situation did not favor any stereotyped form of social stratification. There were some embryonic elements of a feudal system, but they were wiped out by the Japanese colonial administration. Rich and poor, landlords and tenants, both extremes existed, but under the colonial scheme the rich were not allowed to engage in modern industrial enterprise. The property of the rich was equally divided by their sons at the

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1. Yoshihusa Kinebuchi: History of Social Work in Taiwan, 1940, Taipei, pp. 622-623.

565 time of inheritance, so the contrast between the rich and the poor was not striking. In effect, except for the political and ethnic class lines between the ruling Japanese and the ruled Formosans, social stratification was not clearly marked during the Japanese rule.

After the restoration of Formosa to China in 1945, political and ethnic class lines disappeared with the abolition of the colonial system. With the implementation of the Land-to-the-Tiller policy, inequality in land proprietorship was greatly reduced. When the China Mainland was lost to the Communists in 1949, tycoons transferred their capital to other parts of the world, so that there are no extremely wealthy people in Formosa. New industrial development after the restoration may cause economic differentiation in the future, but for the time being, social stratification is not a serious problem in Formosa. This is the general outline. Some specific topics will be considered on the following section.

2. Primary and Secondary Ownership of Land

471
425 Until the early years of the Manchu rule the land in the southern part of the island was agriculturally exploited under the protection of the government. When people began to farm the northern and middle part of the island,

471 they had to rely on themselves. Usually rich
425 and influential people received land grants from the government. Then they hired farmers, supplied them with capital, and organized self-protection forces against bandit and aborigine raids. In return, the owner received rent from the cultivators. Legally he was the proprietor and landlord. When a cultivator was assigned a large patch of land, he could rent some parts of it out to other cultivators, and thus in a sense he also became a landlord. In this case there were two proprietors for the same patch of land. This is the origin of primary and secondary ownership of land in Formosa. The original proprietor held the first title, the second proprietor held the second title to the land. The cultivator paid rent to the second proprietor, and the second proprietor paid rent to the first proprietor. The first proprietor, as the nominal owner of the land, paid the land tax to the government. Sometimes with the connivance of officials, an influential man could get the first title to certain land without any investment and collect the rent.

423 This complicated system of land ownership resembled somewhat the Oberhoheit and Unterhoheit of medieval Germany, and the landlords' control of the self-protection forces tended toward a kind of feudal system. Moreover, this system made the transfer of

423 ownership and the collection of taxes difficult. For this reason in the later years of the Manchu rule, Liu Ming-Ch'uan, an able and far-sighted governor, tried to abolish it. Meeting with stiff opposition from the landlords, his plan was doomed to failure. Liu's project however, was finally carried out by the Japanese government. Between 1898 and 1905 a land survey was completed. In 1903 the existing first titles were confirmed, and further establishment of them was prohibited. In the following year the system of double titles was abolished, and the holders of first titles were compensated by a total sum of 3.78 million yen in bonds. After this all the holders of secondary land titles were recognized as the sole owners and thus the embryonic feudal system was abolished.

3. Relation between Landlord and Tenant

427 The relation between landlord and tenant was generally analogous to that between father and son, and the son was expected to obey the father. Besides paying high rent for the land, tenants presented their landlords with chickens and the like at festival seasons, and were expected to work for the landlord when he requested their help. Though tenants were not serfs, their status was obviously much lower than that of the landlord. This situation continued to the 1920s. The social movement of the Taiwan Cultural Association awakened

427 the social consciousness of the farmer, and Farmers' Association encouraged the farmers to oppose their landlords. Hitherto tenancy had been based mainly on oral contract, and, even where there were written contracts, the terms of tenancy were ambituous. To mitigate the situation, the Japanese administration sponsored Landlord-Tenant Associations, and proposed various measures for improvement in the land tenancy system. The Landlord-Tenant Associations recommended written contracts and the extension of the terms of tenancy. But unwilling to give up their privileges the landlords resisted these recommendations. However, the tenant farmers were aroused by the agitations of the reform movement; many of them abandoned the custom of bringing their seasonal presents to the landlord.

423 Shortly after the restoration of Formosa to China, a rigorous land reform program
427 was begun. Under this program, all farm leases are required to be in writing according to a form promulgated by the Taiwan Provincial Government. The obligations and responsibilities of both the landowner and the tenants are definitely specified. As a result, the tenants may deal with landlords on equal terms, and democratic relationships are established.
466 Simultaneously, the relations between the employer and the employee in industrial establishments underwent similar changes.

466 Formerly the employee was an apprentice with a status of a house servant, but now the relationship is regulated by written contracts.

4. Male and Female Servants

566 Up to the early years of Japanese rule a type of true servitude existed in Formosa. These servants were not slaves, but were bought and sold for money, and were very low in social status. Male servants disappeared earlier in time, but female servants remained until a much later date. It is interesting to note that, the civil status of female servants in Formosa was somewhat different from their status on the mainland. On the mainland their servitude was life-long, but in Taiwan they were bought by contract, and emancipated when the servant or her family could provide money to buy her back. In the case of marriage, her intended husband had to pay money to buy her freedom. Her status somewhat resembled the indentured servant of colonial North America. The frontier spirit, the newness of social institutions, and the scarcity of women seem to be the cause of this contrast between the mainland and Taiwan.

In 1917, the higher court of justices in Taipei invalidated the purchase system of female servants as detrimental to public welfare and morals. The following year the commissioner of police, fortified by this

566 decision, instructed the census department of the local police to confirm all existing female servants but to refuse any new registrations. Another blow was given to the system of female servants by the higher court of justice in 1935. According to this decision, a female servant could emancipate herself whenever she desired, and the householder could not object. Thus, at least nominally and legally, the institution of female servants was abolished. However, it has continued in fact under the new name of "adopted daughters". In 1935, at a conference of social workers, the system of female servants was assailed, and a program for improvement was recommended. At present, one seldom hears about female servants, but in fact some are still kept under the name of adopted daughters. Their status is, however, much improved in comparison with former times. The name "adopted daughters" includes female servants, girls for prostitution, and true adopted daughters. After the restoration of the island to China, the system of "adopted daughters" was frowned upon. Article 296 of the Chinese Criminal Code provides that selling a person into servititude or restraining the liberty of a person is a criminal offense punishable with imprisonment of one to seven years. The custom is abating and may totally disappear in the course of time.

5. Upper Nine Ranks and Lower Nine Ranks

65 During the Manchu era there were three classes in Formosa, namely, (1) officials and gentry, (2) common people, and (3) the "base' class. Although the officials and gentry exercised great influence over the common people, there was no rigid demarcation between the two. When a commoner passed the imperial examinations, he could be appointed an official. The situation of the base class was somewhat different. There was a demarcation between them and other two classes, but eh demarcation was not as rigid as in a caste system.

Each class was divided into several ranks. Among the common people there were the so-called upper nine ranks, including (1) secretaries of officials, (2) physicians, (3) painters, (4) masters of geomancy, (5) fortune tellers, (6) physiognomists, (7) Buddhist monks, (8) Taoist monks, (9) teachers of the lute. The lower nine ranks of the "base" class were: (1) prostitutes, (2) actors, (3) witches, (4) musicians (trumpeters), (5) hog drivers, (6) barbers, (7) male and female servants, (8) masseurs, and (9) grave diggers. Sedan chair carriers were low in the scale of occupations. Obviously the ranking was based on occupation. In pre-modern society it was very common for certain jobs to be looked on as mean, and

565 people engaged in them had a low social status. Conspicuous examples can be found in Japan, Korea, and India. In medieval German cities operators of bath houses, barbers, flute players, drummers, night-watchmen, scavengers, executioners, etc. were treated as "unehrliche leute", and their sons were not allowed to participate in any guild. In Formosa, common people did not marry with the people of the lower nine ranks, and they even hesitated to take a meal with them. The lowest classes were not entitled to take the imperial examinations. When a person passed an imperial examination, he had to prove that, among the three generations of his immediate ancestors no one had engaged in these mean occupations. Otherwise, the title granted by the examination would be canceled. But the disability was confined to the last three generations. In this respect it was different from the rigid slave system or caste system, in which the status was permanently inherited.

This system persisted until the first quarter of the present century. The development of industry and education, and the enlightenment movement after the 1920's have contributed to its elimination. At present, musicians, actors, waiters, barbers, etc. are looked on much the same as those engaged in other occupations, and young people do not even know what the upper and the lower nine ranks are.

II. SOCIAL ORGANIZATION

A. Traditional Organizations

596 The village community is the basic unit of folk society. Formosa's original village communities contained the family, the kinship group, and other folk associations.

1. Family and Kinship Group

The family in early Formosa was the so-called extended family or the composite family. It was a cluster of nuclear families living in a large rambling structure or compound consisting of many rooms surrounding courtyards. The head of the family lived in the central section. Each of his sons on marriage was assigned to a separate room according to seniority, designated as "the first chamber," "the second chamber," and so on. Usually each chamber was the center of a nuclear family consisting of husband, wife, and unmarried children. Not infrequently, married sons and daughters-in-law and even grandchildren were included. Generally such a family had common meals and common property, but there were variations. On the breakup of a large family the sons formed independent families, in turn assigning their sons separate chambers. Although divided among themselves, the brothers, their sons and grandsons constituted a kinship group. Thus, the extended family under the family-head and the kinship group under the elder of the clan constituted small integrated kingdoms.

The functioning of the patriarchal and extended family is far from simple. The inheritance of property, troubles between sons or daughters-in-law, the relation between daughter-in-law and mother-in-law or daughter and her brother's wife, all these are very complicated and easily lead to discord and antagonism. However, inspite of this, the members do unite and co-operate in defending their life and common property. Strong authority is bestowed on the house-father to control the family, and patience is taken as the cardinal virtue of the members of the extended family.

After peace and order were established by the Japanese colonial government, consolidation of kinsmen for self-protection lost its raison d'etre. As the system of administration became more complete, the necessity for mutual-aid among kinsfolk gradually diminished. While the older generation valued highly the prosperous family and kinship group, the young people saw no reason why they should sacrifice their individuality and freedom for their ancestors and the extended family. Young people went to big towns and cities as factory workers, clerks, merchants, teachers or professional men, 596 usually bringing their wives and children with them. The proportion of nuclear families has increased with urbanization and industrialization in the past twenty years.

2. Folk Associations

575 **Various Folk Associations:** In the pre-modern village community co-operation for mutual aid in making a living was essential, and there were many kinds of associations in response to various social needs. Hitherto specialists on Formosa have focused their attention mainly upon village and family. In fact, folk society attained a fairly high degree of development, and it was much too complex to be managed by blood and locality groups alone. Institutions of social cohesion based on social function or social need was in evidence, and these we will designate as folk associations.

625 There were various associations for the protection of agricultural work. When crops and vegetables were still young or almost ripe, they had to be protected from damage by cattle, hogs or chickens. Usually an association was organized to take care of this. Special persons were appointed to watch over the fields. Every household was notified not to let its animals out, and if any one violated the regulation, he was punished by the associatio
There were associations for the regulation of

625 cutting lumber in the woods owned in common by the village and associations for the protection of fruits, bamboo sprouts, etc. from theft. These were the so-called agricultural protective associations. In the season between the two harvests, at the end of the year or before the next crop was ripe, there were petty grain thefts. For the prevention of these, an assocaition of night watchmen was organized. A person from each household was requisitioned and the group was divided into several small bands which stood watch by turns. To prevent attack by aborigines or bandits, a self-protecting association was organized. All adult males in the village, except the old people, participated in it, and in the time free from work, they trained themselves with various weapons. The need for the regulation of such local group activity was essential and constant. As a result, this kind of association was deeply rooted among the village people in Formosa. Many public works, such as repairing roads, bridges, drainage or irrigation canals, etc. were often managed by these associations and sometimes they constituted an embryonic village government.

575 There were other kinds of associations. A buffalo-keeping association collectively watched the buffalos of each household. It was a kind of co-operative. There were associations for mutual aid for burial in case

575 of the death of parents. This was a kind of mutual insurance. The association for mutual financial aid, called "hui," was a kind of temporary credit union.

438 361 Set-up of Towns and Cities: Although the life of farmers was highly self-sufficient, they had to exchange some of their products for agricultural implements and other daily necessities. In response to this necessity towns sprang up in the midst of this agrarian society. As will be seen from a map, Formosa has a fairly even distribution of towns along the western plain. The longest distance between two towns or villages in the plains area is under 10 miles; a distance of 6 miles is most common. This means that each individual lives with 5 miles or less of some town or village, and in one day or less can walk to the village center and back home. In other words, even though he walks, every farmer can sell his products and buy his daily necessities at some town or village between sunrise and sunset. Among the small towns and villages there are larger towns, and among larger towns there is an occasional city as a local center. On the whole, there is a systematic distribution of cities, towns, and villages. Obviously this was the result of natural growth in an agrarian society. After the Japanese occupation there were newly developed mining towns, fishing ports, sugar plantation towns, railway and

361 438 communication centers, recreational towns or satellite towns close to the large urban areas. Even so, the traditional agrarian town-city set-up is still much in evidence.

3. Associations in the City: Cities in 441 Formosa were mostly developed as the trading centers of agrarian society. Those cities with ports and trade with the mainland had attained a fair size. In 1897, two years after the Japanese occupation, the population of the biggest city in Formosa, Tainan, was 45,330. Its commerce and handicraft were differentiated, and largely organized into merchant guilds. During the Manchu rule there were in Formosa rice guilds, cloth guilds, sugar guilds, silk guilds, string guilds, paper guilds, drug guilds, timber guilds, hemp guilds, oil, needle and iron guilds, porcelain guilds, and tea guilds.[2] Usually the stores of each trade were concentrated in one street, and not infrequently the street was named from the trade. In Tainan there was a Rice Street, Oil-dealer Street, Bean-dealer Street, Fish-monger Street, Cloth Street, Silver-smith Street,

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[2] Yoshio Higashi: Economic History of Taiwan, 1944, Taipei, p. 304.

441 Timber-dealer Street, Bamboo Street, Bamboo-splintsmaker Street, Stone-cutter Street, Coir palm treating Street, etc. These are much the same as the Bread Street, Milk Street, Fish Street, Honey Lane, etc. of medieval London or the Schustergasse, Gerbergasse, Webergasse, etc. in the medieval German city. The same condition can be found in other old Formosan cities, such as Lukang and Changhua.

442 Besides these merchant-guilds there were guilds of wholesale merchants who traded with the mainland or other ports of the island. Tainan had three such guilds: (1) the North Guild, which traded with North China, and had more than 20 member stores; (2) the South Guild, which traded with South China and had more than 30 member stores; (3) the Port Guild, which traded with other ports of Formosa, and had more than 50 member stores. They all had a shrine as the center of their activities. They participated in public affairs of the city and carried on social welfare activities. In time of disturbance, they contributed money to the government, and volunteered in defense work. An area of Taipei city, Tataoting,was originally constructed by an influencial guild.

575 There were still other kinds of associations in the cities. Among the upper classes, there were associations for the

576 promotion of education, for moral culture, for music, drama, and literary activities. Various kinds of secret societies and fraternities also existed.

4. The number and types of Associations: As folk associations are essential for the life of the people in folk society, we can expect that there were numerous such associations in agrarian Formosa. Some data exist which wil enable us to make an estimate. The Japanese colonial government made a survey of religion from 1915 to 1918, and the result was published in 1919, as "The Report of the Survey of Religion in Taiwan", Vol. 1. According to this report there was 6,159 associations with 291,161 members.[3] Since informal associations are hard to identify and may not have been recorded, the actual number is likely to be larger than the reported figure.

454 The above figure did not include the associations for mutual financial aid (the hui). According to a survey by the Japanese in 1922, there were 2,055 hui with 24,428 members in Taipei prefecture, 145 hui with 1,720 members in Taichung prefecture. They estimated the number in other prefectures of the island to be 2,200 hui with 26,138 members.

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[3] Table 27.

454 Thus there was a total of 4, 400 hui with 52, 286 members in Formosa.[4] If we add these figures to the above, there were 10, 569 associations with 343, 447 members around 1922. The Formosan population in 1922 (excluding Japanese) was about 3.7 millions, so more than 9 per cent participated in some association. Since this 9 per cent represents adult members of each household, it is evident that a substantiat proportion of households in Formosa participated in associations.

575 All folk associations retained some religious character, so the Japanese treated them all as religious associations. In fact they were organized for a great variety of purposes. In "The Report of the Survey of Religion in Taiwan," eight kinds of associations are enumerated:[5]

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[4] Chen Yunghu: "The business of Ho-huei in Taiwan." The Quarterly of the Bank of Taiwan, Vol. V. No. 4, 1953, p. 123.

[5] Table 23, p. 129.

Kind of Associations	No. of Associations
1. Associations to help the education of kinsmen	160
2. Associations for public construction and relief	6
3. Associations organized by the people of the same trade	1,685
4. Associations organized by the people of the same town of origin	890
5. Associations organized by the people living in the same village or town	1,851
6. Associations organized by the people of the same surname (that is associations of kinsmen)	1,077
7. Associations organized by the people of the same hobby	30
8. Other associations	460
Total	6,159

~~AD1~~ 45;Stanford U. S-4, 5 1956 AD1 Formosa
AD2

515 The number of members of each association ranged from a few persons to more than one thousand. Out of 6,159 associations 4,859 (that is 78.7%) numbered between 6 and 50 persons. Almost half of the total number of associations had between 11 and 30 members. A membership between 11 and 20 seems most common; there were 1,865 (that is, nearly 30% of the total) associations of this kind.

More than three quarters of the associations were founded between 1760-1895. This was due to rapid population growth in those years. Some of the associations owned property. Farms owned by them exceeded 7 thousand chia (16,800 acres), and cash owned by them amounted to 217,601 yen. The associations which had financial means were generally more influential.

5. Gradual decline of Folk Associations: Folk associations were organized in response to the needs of an agrarian society. Up until the early years of Japanese rule, folk associations were very important. The new rulers realized this fact, and so far as these associatiions did not militate against or disturb the Japanese rule, they were allowed to continue. As peace and order were maintained and conditions of sanitation, agriculture and education were improved, the need for folk associations gradually diminished. Their

575 number began to decline. Some associations disappeared, some remained in name only. Some associations with properties were troubled by disputes among their members.

B. Under the Japanese Rule

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575 Strength arises from unification. The new rulers of Formosa in general looked with disfavor on associations of the Formosan people, with the exception of those which facilitated their administration.

From the political point of view there were two categories of associations: those promoted or approved by the Japanese government, and those voluntarily organized by the Formosans and not welcomed by the government. Among the former were: (1) industrial and occupational associations; (2) associations for educational and social development; and (3) social clubs, philanthropic and religious associations.

Many associations were sponsored and controlled by the government, often with government officials as their directors, and had their offices in government buildings. In fact there were auxiliary agencies for administration, and were not voluntary associations of the people. Most associations for the promotion of production belonged to this type. For example, associations of farmers were called "Agricultural Associations". It was not an association of farmers for co-operation and improvement of agriculture. Participation was compulsory, membership fees were collected along with taxes, and farmers received only instruction and supervision. Associations for animal husbandry, for fishing, for forestry and irrigation were similar in nature. Co-operatives for fruit growers (banana, citrus fruits, etc.), associations of various trades, chambers of commerce were more autonomous, but government control and supervision were always in evidence. There were various kinds of occupational and professional associations for physicians, lawyers, teachers, etc., and though the Formosan people were allowed to join them as members, they were all controlled by the Japanese.

Associations for educational and social development were also numerous. There were parent-teacher associations called "father and elder brothers" association to help school education. There were householders' associations and housewives' associations to promote adult education. In addition there were youth associations, girls' associations and boy scouts for young people. Community Development Association, Landlord-Tenants Associations, Sanitary Associations, Athletic Associations, the Red Cross, Patriotic Women's Associations, Association for the Improvement of Living, Associations for the

656 Reformation of Bad Habits and Customs
575 (such as prostitutes and drinking), etc. are further examples of this type. Many of these associations were organized under government encouragement in response to the new situation after the 1920's in order to distract the awakening Formosans who were grumbling against colonialism.

Social clubs for hobbies, recreational, literary artistic and cultural activities were organized freely by the Japanese. A selected number of Formosans were permitted to join these clubs. Philanthropic agencies had existed since the Manchu era. Some of them were reorganized and new agencies were added during the Japanese era. Religious groups with the exception of Christian minors, were less active.

Voluntary Associations of the Formosans

668 As folk associations waned with the change of social life after World War I, the Formosan people began to form their own voluntary associations of a modern type.

1. Political Associations

After World War I the spirit of democracy permeated the whole world. In Japan serious problems appeared and democratic and socialistic movements became widespread.

668 In China, social movements of the modern type among students and young people gained momentum at about the same time. Under the influences of both China and Japan, Formosa was involved in this modern current. In 1919 an association was organized by Formosan students in Tokyo, and started the work of enlightenment and criticism of colonialism in Formosa. Two years later, in 1921, the Taiwan Cultural Association was organized in Taipei by young people and students both in Japan and Formosa. In the name of cultural enlightenment, they organized public speaking teams, gave lectures, and held meetings in various places in the island. Their new knowledge and criticism of colonialism stirred up the racial consciousness of the Formosan people, and everywhere they were met with overwhelming enthusiasm. Their activity reached a peak in 1925-26, and between 1923 and 1926 many similar associations in other parts of the island. The social consciousness kindled by this movement proved very important for the subsequent social development on Formosa.

When the movement reached its peak, the association split up, as the ideological incompatability of liberalism, socialism, and communism became clear. The right wing dropped out of the association, and organized the Taiwan People's Party in 1927. In 1929

668 the remaining left wing of the association split again into the communistic and the social-democratic groups, and the latter was expelled from the association. The moderate Taiwan People's Party again split into the conservative rich landlord group and the more radical middle class group. The former group organized the Taiwan League for Local Self-Government in 1929, and in the meeting of the party in 1930, was expelled by the more radical group. But at the same time, the party was disbanded by the colonial government. Thus, by 1930, among the Formosans, there were (1) a communistic group, (2) a social-democratic group, (3) a more radical middle-class group, and (4) a conservative landlord group.

474 427 668 671 2. Farmer's Associations: The influence of this movement could not fail to reach the farmers. In 1924 a dispute arose between sugar cane farmers and a sugar corporation. Under the leadership of a local doctor, the dispute was settled in favor of the farmers. This encouraged the farmers, and in next year the Association of Sugar Cane Farmers was organized. Some farmers had reclaimed government-owned land without permission. This was denounced as illegal, and in 1926 nearly four thousand hectares of this kind of land were distributed to 370 Japanese retired officials. This provided impetus for farmers

474 to unite and fight. Moreover, farmers were
under the heavy yoke of the landlord, and
427 most of landlords were local people. On
668 Formosa, 53 per cent of the farm land
was tenant land, and tenants had to pay about
671 half of their harvest to the landlord as rent.
Moreover, the tenant farmer has various other obligations toward the landlord. This situation was unbearable even to the most subservient tenants, and they often submitted complaints against landlords to legal arbitration. Under the threefold pressure of the sugar corporation, retired Japanese officials and landlords, the farmers were always ready to rebel at the slightest provocation. The sparks kindled in 1924 spread and many farmers's association were organized. It is interesting to note that the name of the association thus organized was not the "association for agriculture," but the "farmer's association." In 1926 these local associations were united into the Taiwan Farmers' Association. Campaigns against the landlord under the direction of the association rapidly increased. There were 5 such cases of disputes in 1924, 4 cases in 1925, 15 cases in 1926, in 1927 the number jumped to 431 cases (2,127 persons involved) and in 1928 dropped back to 134 cases (3, 149 persons involved) in 1928. The magnitude of the dissatisfaction stimulated the Japanese to action and suppression was begun in 1929. With the Japanese invasion of Manchuria in 1931

474 ruthless means of suppression were adopted
in the name of internal consolidation. The
427 cases of farmers opposing landlords dropped
668 sharply to 23 cases in 1929, 28 cases in
1930, and 16 cases in 1931. However, the
671 influence of the movement on Formosan
society, especially on social relations between
landlords and tenants was undeniable. The
government sponsored landlord-tenants
associations after 1924 were a means to
mitigate the tense situation of the time.

467 3. Labor Unions: The new social currents also reached factory workers. Labor unions for various trades were organized, and in 1927, 29 local unions were federated into the Taiwan Federation of Workers Unions. At the end of the year participating units increased to 65, and the number of members amounted to 7,861. In 1928 the League of Taiwan Mechanical Workers was organized under separate leadership. Several strikes were directed by the leagues. Both the farmers associations and the worker's unions received co-operation from associations and unions in Japan. Generally speaking, because of the backwardness of Formosan industry at that time, the activity of labor unions was not as conspicuous as that of the farmers. The activity of the union also faded out under the pressure of government suppression in 1929 and 1931. In 1932 almost all labor leaders were arrested, and in 1937, the year

467 Japan started its invasion into North China, even the conservative and harmless Taiwan League for Local Self-Government was ordered disbanded by the government.

III. SOCIAL ORGANIZATION AFTER THE RESTORATION

575 Since the restoration of Formosa to China in 1945, the people have been free to form associations of various kinds, provided these associations do no conflict with the anti-Communist policy of the government. Many new organizations have come into being. In the village, the traditional folk associations for religion and for mutual financial aid still exist. Most of the associations established during the Japanese period have been reorganized, with Chinese members replacing the Japanese and the Chinese government assuming control formerly in the hands of the Japanese colonial government. All associations are registered with the Provincial Department of Social Affairs, which supervises their activities. An association may be dissolved or may be compelled to re-elect its officers if found guilty of violating national laws or ordinances.[6]

For administrative purposes, associations

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[6] In 1953, 247 organizations were ordered to re-elect their officers, 9 to be reorganized, 8 to suspend their activities, and 1 to be dispersed. Chung-hua Min-kuo Nien-chien

(continued next page)

575 on Formosa are divided into (1) farmers' associations, (2) labor unions, (3) fishermen's associations, (4) trade associations, (5) professional groups, (6) social groups, and (7) co-operatives. Most of the associations are organized on a local basis and are generally patterned after the governmental administration, that is, directives and rulings are made at a single headquarter and disseminated to lower groups. A provincial organization establishes its branches in *hsien* and municipalities; the latter in turn organize sub-branches in towns and villages. Some associations have a national organization, which expects to extend its activities when the Mainland is regained.

474 The Farmers' Association was first organized thirty years ago for the express purpose of protecting the rights of the farmers. Very often it came into conflict with the Japanese administration, which finally ordered its dissolution and replaced it with the Agricultural Association, a quasi-government agency. The activities of the Agricultural Association were confined to the promotion of agricultural production. In 1949, the

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6. (continued) [*Yearbook of the Republic of China*], 1954, Taipei, p. 730.

AD1

474 Farmers' Association was reincorporated under the Chinese law. It is at present a private organization governed by a representative body, managed by a general manager assited by a board of 9 to 15 directors and supervised by a board of 3 to 7 supervisors.[7] In the rural areas, the Farmers' Association distributes fertilizers, extends credit, collects government taxes and repayment of land purchase loans in rice or in kind, and directs educational programs. In towns, the Farmers' Association offers facilities for wholesale purchasing, co-operative marketing, and warehousing. In the cities and larger towns, the Farmers' Association extends short-term loans to small merchants. The Farmers' Association is the only modern organization actively supported by the farmers, who form 52 per cent of the total population in Formosa. There are 4,121 sub-units of the Farmers' Association in rural areas with a total membership of 395,208. These sub-units combine to form 340 units at the town, hsien, municipal, and provincial levels.[8]

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7. Arthur F. Raper: Rural Taiwan -Problem and Promise, pub. by JCRR, Taipei, 1953, p. 183.

8. Chung-hua Nien-pao [China Annual], 1954, Vol. III, p. 83.

487 Labor Unions were considered revolutionary and banned under the Japanese administration. Upon the restoration of the island to China, labor unions on the Mainland helped the local workers to form unions. Labor unions are of three kinds, occupational, industrial and special. Workers in each trade organize the local units. The locals in a hsien or a municipality unite to form a local labor union. In large-scale industries, which are mostly operated by the government, the staff members and the workers organize a union in each industry. The occupational labor unions and the industrial labor unions unite at the provincial level to form the provincial general labor union. A few occupational unions such as the postal union and the railroad workers unions maintain their own local and provincial organizations. They are the special labor unions. The number of labor unions and their membership at the end of 1954 were as follows:*

	Number of Units	Total Membership
Occupational labor unions	401	111,657
Industrial labor unions	219	231,431
Postal Union	14	2,542

467 Railroad workers union	13	22,265
Highway workers union	13	5,121

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* The China Annual 1954, Vol. 3, Feb. 1955, p. 89.

Labor unions in Formosa are generally directed by members of the Kuomintang and are subsidized in part by the government. Their main functions are to seek improvements in wages and working hours, to look after the welfare of the workers, and to participate in patriotic activities. The most noteworthy service offered are social security measures which include accident insurance, maternity and life insurance, pensions at retirement, and low-cost housing for workers. Some unions also operate clinics, day nurseries, and co-operative groceries for the benefit of their members.

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226 Formosa has a long seacoast and over seventy islets. Over 232,000 people are engaged in fishing. The fishermen's associations were formerly controlled by fishing-boat owners and owners of the fish ponds, and funds used in welfare work were derived from a surcharge of the price of fish.

474 226 In 1954 the fishermen's associations were reorganized by the provincial government to give the workers a greater share of control.[9] There are at present seven local units and one provincial fishermen's association, with a total membership of 80,123. They construct and repair fishing boats, operate facilities for cold-storage, and offer emergency aid to the fishermen and their families.

474 Trade associations are formed by people belonging to the same trade. They combine to form either a chamber of commerce or an association of industries. The professional associations are organized by lawyers, accountants, journalists, and physicians. There are eleven such associations, some having a local organization in each hsien and municipalities, others with only a provincial organization. Social organizations, devoted to social welfare and relief work, are sponsored by the government, by religious groups, and by civic clubs. Their activities include the collection and distribution of comforts for the armed forces, aid to women in distress (unwed mothers, mistreated wives

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[9] "Under the new set-up, two-thirds of the directors, officers, and inspectors of the association will be workers." Arthur F. Raper and others, Urban and Industrial Taiwan Crowded and Resourceful, Taipei, Sept. 1954, p. 292.

and foster daughters), sewing for charitable purposes, and the operation of day nurseries, orphanages, and homes for the dumb and the blind. Wives of government personnel often take an active part in social organizations.

In order of size, the farmers' associations, the labor unions, and the co-operatives are the largest social organizations. There are at least 421 local co-operative units with a total membership of approximately 375,000 households, or roughly one-fifth of the island's population.[10] The most important of the co-operatives is the consumer co-operative which has over two hundred units in the larger cities of the province, and distributes the ration of daily supplies to the families of government employees, school teachers, and military personnel. There are at least 71 branches of the credit co-operatives. They accept deposits and extend loans to such small businesses as handicraft and family industries. At the end of 1953, deposits amounted to NT$176,092,000 and loans amounted to NT$119,316,000.

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[10] Raper, *ibid.*, p. 292. :*The Yearbook of the Republic of China* of 1954 reports that there were 481 units and 398,681 members at the end of 1953.

474 Agricultural co-operatives help the farmers to transport and market special farm products such as fruits, tea, citronella oil, and straw hats and mattings. At present there are 81 agricultural co-operatives. Co-operative farms are organized with the help of the government. The co-operative farms are either operated on a community basis (their products distributed among the members according to individual contributions) or operated individually with co-operative purchasing of fertilizers and seeds and co-operative processing and marketing of products. There are 133 such co-operative farms in Formosa with a total membership of 18,000, but most of them do not have the equipment necessary for efficient operation.

005 Formosa has a vast network of social organizations, but most of these have had a short history; they were either founded or reorganized within the past five years. They are still in an experimental stage and not yet deeply rooted in the lives of the people. The Formosan people were given little opportunity to exercise initiative under Japanese rule, and in consequence they lack both the experience and the training to run efficient organizations. Moreover, most organizations rely on the government for financial support, which in turn gives the government undue control over their activities

600 and the selection of their officers. With time and as the local people gain in experience and ability, the value of such organizations may increase. A tradition of group activity will probably develop, and the people may evince greater interest in managing the various social organizations which help to foster a democratic society.

Annex "A," Subparagraph 1g,
Sociological Background

FAMILY

5Ab *Definition of Terms*. Family is defined as "a group of people living together as a unit who are related to one another by blood, marriage, or adoption." In the main, it refers to an economic "family," *i.e.*, in addition to the above characteristics, it has both common property and common budget.[1] The terms *chia* or *chia-t'ing*, meaning "family" in Mandarin, and *ke* or *ts'u*, meaning "family" in Min-nan dialect, seem to afford no distinction between the nuclear family (parents and unmarried children), the stem family (parents and married son), the joint family (parents and married sons), and the extended family (more than two generations, married and kinsmen). An extended family may include several family units of nuclear and stem type and it may also include more than two generations. Similarly, a joint family may include some kinsmen. These terms, to some extent, often correspond with the term "household" (*hu* in Mandarin and *ho* in Min-nan dialect) which may include servants, boarders, etc. Thus, the terms are not clearly differentiated. Therefore, whenever possible, families will be referred to as nuclear, stem, joint, or extended, depending upon the criteria given above.

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[1] Olga Lang, *Chinese Family and Society*, New Haven, Yale University Press, 1946, p. 13.

I. INTRODUCTION

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Familial relationships and sentiments form the most important basis of social fabric and human behavior in Formosa. Precepts as well as structure of the family and kinship groups, with which the society has lived for centuries, exist side by side with ideas and influences of Western institutions. The extended family, which was predominant in the past, is now gradually on the wane as the result of changes brought about by industrialization and the introduction of new social institutions.

With the exception of tribal aborigines, Formosa's society in pre-Japanese times was a transplantation of those which existed in Fukien and northern Kwangtung provinces. With the coming of the Japanese, economic, educational, religious, and political ties that had held together members within villages, clans, and extended families began to crumble. In other words, most of the familial functions were gradually taken over by the state -- the Government-General of Formosa -- and, indirectly, Japan. Since the beginning of the twentieth century, the Formosan Chinese have been exposed to conflicting cultures and have been forced to reconcile the old and new.

596 178 Today, the typical family grouping in the rural areas is that of the extended family; in urban areas, the typical grouping is that of the nuclear or joint family.

II. THE TRADITIONAL FAMILY

596 Ever since the seventeenth century, kinship groups in Formosa have been changing from clans to extended families, and from extended families to joint and nuclear families. Cohesion and functional ties within a clan are no longer strong, and today only the large and extended family remains an arbiter of social behavior.

The traditional family was extended and patriarchal. The ideal was to have a large family, with many generations living under the same roof. A large family was a strength in itself in a society which depended on farming for its livelihood. A popular Formosan saying, "If there are three sons to a man, there will be one thousand in the family within six generations," well expresses the ideal of a large family.[2] The extended family was a

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[2] Taiwan Government-General, Taiwan rigen shuran [Collection of Taiwan's Maxims and Proverbs], Taihoku, Taihoku kappansha, 1914, p. 138.

596 cluster of nuclear families living in a large rambling structure or compound, with many rooms surrounding a courtyard. The head of the family lived in the central section. Each of his sons upon marriage was assigned to a separate room according to seniority, the eldest son and his wife given "the first chamber," the second son given "the second chamber," and so on. Usually each chamber was the center of a nuclear family consisting of husband, wife, and unmarried children. Often married sons and daughters-in-law and even grandchildren were included. Generally such an extended family shared common meals and common property, but there were some variations. When the patriarch of a large family died, his sons formed independent families, in turn assigning their sons separate chambers.

The most important concern of family life was to preserve the continuity of the family. Its pattern was patrilineal; a family line might be perpetuated only through the male heirs.

The head of the family was usually an elder male. The authority of the father was considered supreme within the household, and his position was assumed by the oldest son when the father died. If the son were too young, an uncle became head, and if there were

596 no uncle, the mother, although this happened rarely, assumed authority. Household management, as well as external business affairs, was the responsibility of the male head.

596 The position of women was subservient;
women had few property rights, and they them-
562 selves were the property of men. Confucian principles taught that woman's world was in the home, that a virtuous woman would obey her father before marriage, her husband after marriage, and her son after the death of her husband. Daughters at home were temporary members of the family who would someday marry and join their husbands' households. When a family estate was divided, all property was distributed among the males. Wives and daughters were their husbands' and fathers' heirs only in those cases where there were no males to inherit. Instances of women dominating men were not unheard of, but always at the sacrifice of the man's self-respect and as a subject of ridicule. As a daughter-in-law, a girl had to please her husband's parents, her husband being subordinate to his father in the family. A husband, out of filial piety, had to side with his mother if she happened to be harsh in her treatment of his wife.

584 Marriages were arranged by the parents.
596 Happiness of the couple was not a consideration,

584 for the perpetuation of the family was the prime
596 motive for matrimony. Very often people married without knowing each other previously. Since to marry was to bring forth a new generation, concubinage for the purpose of procreation was not frowned upon. Where there were no sons in the family, adoption of the children of close relatives or friends was encouraged. As Mencius taught: There are three things which are unfilial, and to have no heirs is the greatest of them.

596 Although the extended family was predominant in pre-Japanese Formosan society, no
593 familial relationship was closer than that found among the members of a nuclear family. In an extended family, a father might have a tight control over his married sons, but he would grow old and his sons' attentions and affections would revolve around their wives and their children.

Within a nuclear family the father-son relationship was said to be the closest.[3] A son

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[3] Shoji Yamanaka, "Rigen ni arawareta Taiwan oyobi Shina no kazoku seikatsu," ["Family Life in Taiwan and China as Expressed in Sayings and Proverbs"], Taiwan bunka ronso, Vol. II, [Symposium of the Culture of Taiwan], Taihoku, Shimizu shoten, 1943, pp. 1-107.

596 593 never exposed his father's mistakes or misdemeanors. A close bilateral dependence between father and son among the poor families and unilateral dependence of son upon father in rich families were the rule generally. The father was expected to exercise disciplinary power over his sons, and the mother was to care for and love them. Often a boy relied on his father's reputation to establish himself in a new situation. When a parent died, the son was charged with responsibility for the funeral rites, the selection of a grave site, the maintenance of the grave, and periodic sacrifices at the ancestral shrine. Ritual obligations functioned not only as a medium for the continuation of the reciprocal parent-child relationship, but also as a means of validating one's position in the community.[4] The father-daughter relationship was formal and temporary. Poor people preferred not to have girl babies because female children would be dependent upon the parents for sustenance during their early years and upon maturity would marry and join other families. However, the daughter's children always attracted the grand-parents' love and attention.

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[4] Morton H. Friend, Fabric of Chinese Society, New York, Praeger, 1953, p. 53.

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593 Brothers were not bound to each other with the same strength each felt for the father. The degree of cohesion was determined by their social and economic circumstances. When it was necessary to protect the family from an enemy without, brothers were considered as close as one's limbs.[5] If there were differences in occupations and economic interests, a division of the family after the death of the father was inevitable. Then each son formed a nuclear or joint family for himself, and brothers became mere neighbors. But such instances were rare. Many factors bound together the nuclear units, making the typical family grouping extended and inclusive.

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411 The social function of the extended family was as a unit for self-protection against possible attack by aborigines, bandits, enemy clans, and criminals. For defense against so many enemies, village and clan members united, but the extended family was the basic defense unit. In well-to-do families there were stores of rifles, spears, and other weapons. Even today, gun loopholes can be found in the outer walls of some old houses.[6]

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[5] Yamanaka, loc. cit.

[6] Ibid.

596 771 The extended family was in itself a religious group. Worship of common ancestors, observation of their birthdays, and participation in annual festivals were ceremonies observed by all members of the family. Religious practices served to impress family members with a feeling of kinship and common heritage.

596 871 The education of children became the function of an extended family when there were no public schools. Tutors were invited to join the family and all the children studied at common expense, regardless of their parents' status within the family. All the children had an equal opportunity to learn.

596 The family was also an economic unit. Male adults participated in the family business and the entire family shared a common budget. In rural families, rice paddies were hulled and cloth was woven by women in the home. Chickens ducks, vegetables, and preserves were produced in the household, thus making it unnecessary to buy more than a few necessities at the market. In this manner, the family functioned as a unit of production and consumption. Another feature pertaining to the extended family was the system of community property. Family property belonged to the entire family, and at the dispersion of the family it was divided among the sons, with a relatively larger share going to the eldest son, who assumed responsibility for maintenance of the family shrine.

596 There was strength in remaining a large family. Farming needed the co-operation of all adult members. A family engaged in commerce often feared the loss of prestige and economic strength if the family were divided.

Thus, the family played a decidedly important role in the whole web of human contacts.

596 Group living necessitated a pattern of obligations, sentiments, and expectations.
181 The custom of passing on a business from father to son, the reluctance of rural people to leave their ancestral land for the cities, and the mutual profit shared by family members -- young or old -- who worked together to earn the family's livelihood all reflect the influence of family relationships upon individual lives. Many cultural characteristics of the Formosans -- their great dignity and politeness, their unwillingness to express disagreement, their tendency to keep their own counsel, and the way in which they maintain an attitude of non-interference toward the lives and the problems of others -- had their origin in the close-knit family groups and the conditions in which of necessity they lived. Considerate behavior and the ability to compromise have been necessary to maintain friendly relationships within the family.

577 Filial piety and other traditional values stem from the concept of the family. It is a mark of shame to be called unfilial, and children do not neglect their parents or elderly relatives. A successful kinsman is obligated to assit his kinsmen financially or politically even if such an act should be against the interests of the state.

III. RECENT CHANGES

596 178 The advent of the Japanese was followed by successive changes in the social and political institutions of the Formosan Chinese. The government took over many of the responsibilities of the clan and the extended family in matters which pertained to the maintenance of public order, the establishment of public schools, and other public institutions. Industrialization, the introduction of corporate enterprise, and urbanization in general, together with the newly-assumed duties of the government were responsible for the loosening of familial ties and the emancipation of women within the family as well as within society.

More people now live in urban areas and farmers have ceased to lead nearly self-sufficient lives; they look to the farmers' organizations for agricultural information and other forms of mutual assistance. Opportunities for jobs in banks, factories, railroads, and

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shipping have resulted in further division of extended families and at the same time have given women more opportunity for employment outside the household. There is a great deal of evidence that extended families are separating to form smaller and less-inclusive units. [162] In 1812, the average household consisted of 8.3 persons;[7] in 1953, the average household had 5.5 persons.[8] In a survey conducted by the Foreign Operations Administration's Mutual Security Mission to China, the composition of urban households was characterized by a relatively large proportion of legal households consisting of a single person, and such households accounted for more than 9 per cent of the total.[9]

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[7] Yoshinori Ino, Taiwan bunkashi, Vol. II [The Records of the Culture of Taiwan], Tokyo Toko shoyin, 1928, p. 238.

[8] Statistical Abstract of the Republic of China, 1955, Taipei, Directorate-General of Budgets, Accounts, and Statistics, Executive Yuan, 1955, p. 27.

[9] A. F. Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954, p. 261.

596 369 Rural households retain many of the features of the traditional family. They are often made up of three or four generations with a goodly sprinkling of kinsmen, adopted children, and others. However, among the one hundred households which were the subjects of a survey conducted by the Joint Commission on Rural Reconstruction, 58 were termed nuclear families and included 48 per cent of the total population surveyed. The other 42 households were three- and four-generation households, and included the remaining 52 per cent.[10]

562 178 The influence of the West has greatly improved the position of women in Formosan society. Women today have equal elective franchise and the right of inheritance. They have not only become clerks and manual workers but also have entered the professions and have taken a role in politics. The Chinese Constitution stipulates that the number of women delegates to the National Assembly, as well as the number of women members of the Legislative and Control Yuan, shall be determined by law. The Electoral Law fixes the percentage at ten, and at present there are 60 women of a total

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[10] A. F. Raper, Rural Taiwan - Problem and Promise, Taipei, Joint Commission on Rural Reconstruction, 1953, p. 208.

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562 178 537 members in the Lesiglative Yuan.[11] The percentage of women delegates is also applied to the provincial and local councils. In Taipei alone, there are about one hundred full-fledged women doctors and a great number of qualified mid-wives, five chartered women accountants, thirteen women judges, and six women prosecutors.[12]

IV. FAMILY ORGANIZATION AND DISORGANIZATION

58 178 Monogamous marriage is the rule in Formosa, although concubines and mistresses have not been eliminated. People of the same surname do not intermarry. Marriage remains a family affair as well as an affair of the parties concerned. When a son reaches adulthood it is a traditional obligation of the parents to see that he is married. Parents in most cases choose spouses for their children. But today the majority of men and women at least have some knowledge of their future spouses before marriage. It is stipulated by law that an

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[11] Chung-pei Hsu, The Position of Women in Free China, Taipei, China Culture Publishing Foundation, 1953, p. 2.

[12] Ibid.

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engagement must be contracted by the parties concerned, and if their consent has not been obtained, the engagement is not binding.[13] Contrary to this legal provision, only about 10 per cent of the marriages in the rural and urban households surveyed were contracted by the parties themselves, and the remainder were arranged by parents, relatives, friends, or go-betweens.[14] In some instances people may seek marriage through advertisements placed in newspapers. Feasts attend the wedding, elaborate or simple, according to the family's socio-economic status. Marriages between sons and adopted daughters, or, to a lesser extent, between daughters and adopted sons, are usually performed within the family circle. The patrilocal nature of matrimony requires, in most instances, that the groom's father provides living quarters for the bride. When possible, the bride's family provides a dowry consisting of clothes, furniture, jewelry, and so forth. Some girls consider a dowry so important that they work before marriage in order to save money so that they may bring to their husbands' families such things as furniture and beautiful clothes. For reasons of economy, collective marriages are performed in city halls from time to time.

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13. Ching-hsiung Wu (ed.), Chung-hua Min-kuo Liu-fa Hui-pien [Compendium of the Six Codes of the Republic of China], Volume II, Civil Code, 1947, Shanghai, pp. 505-11.

14. Raper and others, op. cit., p. 268, and Raper, op. cit., p. 209.

587 586 Second marriages are usually looked down upon, but in order to perpetuate the family line a childless widow may marry again. Divorce, although the rate has been increasing in recent years because of financial difficulties and the growing independence of women, is not as serious a problem in Formosa as it is in the United States. Formosa's divorce rate in 1953 was as low as 0.45 per 1,000 population, as compared with a rate of 2.48 per 1,000 population in 1951 in the United States.[15] For good or ill, a popular adage that a virtuous woman does not marry twice is often repeated, and a divorcee rarely finds opportunity for a second marriage.

582 The average age at which men and women marry is reported to be rising. Among young men of urban areas, marriage is often delayed because of financial difficulties. The adoption of daughters often poses a social problem. 597 548 The old notion that a daughter may be bought or sold like a commodity remains among some uneducated people. Although the purpose of such adoptions may be that of securing a young companion or maintaining the family lines,

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[15] United Nations, Demographic Yearbook, 1953, New York, 1953, pp. 276-77.

597 548 many people adopt girls to be employed as servants and, in a few extreme cases, adopt several girls in order to derive profit from their prostitution. A recent household registration indicates that there are about 135,000 adoped daughters on the island, of which about 100,000 are said to have been adopted for the purposes mentioned above. 597 They are less daughters than bonded servants, and may be sold or traded frequently and forced to serve in cafes or to engage in prostitution.[16] Many cases of incest and abduction and suicide pacts involve young women who have been "adopted" in this manner and innocently cause the disintegration of a household. Recommendations, however, are being made for correction of this abuse.[17]

V. FAMILIAL SETTING OF THE ABORIGINES[18]

596 Family cohesion within aboriginal families is probably as strong as that in Formosan families.

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[16] Hsin-she-hui Yüen-k'an [New Society Monthly], VIII, 7, Taipei, July 1955, pp. 1-28.

[17] Ibid.

[18] Sainosuke Fujiksaki, Taiwan no banzoku [Savage Tribes of Taiwan], Tokyo, Kokushi kankokai, 1936, Part II, Chapter 4; Part IV, Chapter 4; Part V, Chapter 2; and Part IV, Chapter 3.

596 Marital customs among the tribesmen seem to indicate that their groupings include both nuclear and extended families. Bunun, Paiwan, and Yami tribes have nuclear families, and each son after marriage establishes his own household.

Aboriginal families are patriarchal, with the exception of those of the Paiwan and Ami tribes. The latter families are perpetuated through the female line; a man marries into the bride's family in both tribes and the newlyweds establish separate households after marriage.

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428 The position of women in Ami and Paiwan tribes is superior to that of the men. Men have no rights of inheritance and have no say in the management of property in these tribes, although they represent their families at public meetings and in other social contacts. Women are sole heads of the family in matters which concern the family and its relatives. In other tribes, an inheritance is equally divided among the sons or goes to the eldest son who is the heir. When there are no sons in the family in the Bunun tribe, the family line is terminated, and the family property is given to the closest male relative. An interesting aspect of inheritance in the Ami tribe is that the youngest daughter remains at home to inherit the family property as well as to perpetuate the family line.

Annex "A," Subparagraph 1h,
Sociological Background

SOCIAL VALUES, PATTERNS OF LIVING, AND FOLK BELIEFS

162 Nearly 98 per cent of the population on Formosa today are Chinese. Of this number, approximately one-fifth have come to Formosa from the Mainland since 1945. Of the remaining four-fifths, the majority are descendants of early settlers who migrated to the island from Fukien and Kwangtung provinces between 1600 and 1895. Non-Chinese aborigines make up about 2 per cent of the present population. Social values and the major patterns of living on Formosa are derived from the Chinese, in spite of the efforts of the Japanese to sever the ties between the Mainland and Formosa during a half-century of rule. Even the official promotion of Shintoism did not destroy the customs and traditions of either the aborigines or the Chinese on Formosa. The restoration of Formosa to China in 1945, followed by the influx of some two million Chinese from the Mainland, has further strengthened ties with the mother country.

A. The Rural Family

596 369 563 The patriarchal, extended family common to the Mainland is the pattern of the family for the majority of people on Formosa. In rural communities, the father and sons work in the fields, the mother and the wives of married sons look after the hogs, fowl, and cattle and do the work of the household. Daughters care for the younger children, help in the preparation of meals, and wash the clothes. Boys and girls attend school until twelve years' of age; schooling continues after that age only if the child is talented and the family is able to afford tuition and the loss of the child's labor at home. Generally speaking, women of Fukienese descent are not given as many laborious duties as the Hakka women, who raise hogs, cattle, and fowl, and tend vegetable plots even in non-farming communities. Fukien children are more apt to prepare for city jobs than to continue work on the farms.

Since World War II, farm rents have been reduced and farmers are encouraged to farm more intensively in order to secure larger yields. As a result, women now do more farm-work than before. It is reported that women in Chihu are responsible for at least

369 596 563 40 per cent of the district's agricultural production; in 1937, they accounted for only 17 per cent of the total yield.[1]

The aborigines in the mountainous regions of Formosa make a living from slash-and-burn agriculture and hunting. Some of the aboriginal tribes (the Bunun, the Tsou, the Paiwan, and the Yami) follow the patriarchal, extended family pattern. Others (the Atayal and Saisett) have a nuclear family organization -- each member of the family fulfills a definite role fixed by tribal custom. Aborigine women ordinarily do more farm work than Chinese women. Until recently few children from native tribes attended school, and until recently few aborigines ventured outside their tribal regions.

B. The Urban Family

369 161 The population of Formosa has been increasing rapidly. The rate of increase is greatest in the urban areas. Each of Formosa's four largest cities -- Taipei, Kaoshiung,

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[1] Arthur F. Raper, Rural Taiwan - Problem and Promise, Taipei, 1953, p. 120.

369 161 Tainan, and Tiachung -- has more than doubled in size since 1937.[2] The cities of Keelung, Hsinchu, and Hualien have grown almost as rapidly. The rapid increase in urban population is traceable, in part, to the number of young Formosans who have deserted the rural areas for further education and more profitable economic opportunities.

369 The patterns of living of the urban population differ in many ways from those of the rural population. The size of the average household is smaller. The houses themselves are small, overcrowded, and usually contain no more than two generations, parents and children. Crime in urban areas has increased substantially.[3] On the other hand, educational facilities in the cities have improved. The ✓ people of Formosa are becoming more aware of the importance of education. Urban families send their children to vocational schools or high schools whenever it is financially possible. During the past fifteen years, the rate of industrial expansion has been rapid, although not rapid enough to provide 000 work for the fast-growing population. The

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[2] Arthur F. Raper, et. al., Urban and Industrial Taiwan - Crowded and Resourceful, Taipei, 1954, p. 2.

[3] The number of urban crimes reported (continued next page)

369 463 The scarcity of employment has resulted in the increase in the number of "self-made" jobs, such as the keeping of small, temporary streetside shops and stands, peddling, "household industries" of various kinds, cart-pulling, and pedicab-operating. Marginal self-employment is the chief source of income for approximately one-fifth of the males 15-50 years of age in the seventeen areas surveyed in 1954 by the China Mission of the American Mutual Security Agency and a group from National Taiwan University. A large proportion of those marginally self-employed would shift to regular industrial jobs if such jobs became available.[4]

369 464 Because of under-employment and the prevailing low wage-scale, women and children often take up various kinds of work in order to supplement family incomes. Many urban households augment their income by raising hogs or fowl. Overcrowding in urban areas, the increase in the number of peddlers, streetside stands, and the feeding of hogs and fowl in crowded districts create a very serious health and sanitation problem.

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3. (continued) today far exceeds the number reported under Japanese rule. See the section on Criminal Codes and Procedures in the chapter on Law and Order.

[4] Raper, op. cit., p. 5.

C. General Characteristics

181 Formosans are considered to be industrious and resourceful. Perseverance, tenacity, and endurance are characteristics of the majority. The rural people show a strong feeling of solidarity and affection to members of their community and have a strong attachment to the soil as representative of their homeland and their way of life. Family loyalty and filial love are considered the greatest of virtues. Deep love for the family circle is further accentuated by the frontier environment of Formosa. In the cities, people tend to become more independent and self-reliant. Because it is not the custom to pool resources for joint enterprises outside the immediate family, only small businesses can be established. If the head of a small urban household suffers a long illness or extended unemployment, the family falls into dire need. Most families so afflicted must return to rural areas and live with kinsmen until they have acquired enough capital to go back to the city and try again.

D. Recreations and Sports

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461 Formosa's subtropical climate makes farming possible in all seasons; most farmers

241 on the island work every day of the year. The
461 growing industrial society, however, allows one day of rest each week, and office workers and shopkeepers are accustomed to a long lunch recess in the European fashion.

177 A majority of city dwellers have running water and electric lights. Most families in the cities own sewing machines and bicycles. As the islanders acquire Western conveniences and possessions, their patterns of living take on the configurations common to the occidental world.

526 Sports -- soccer, basketball, and baseball -- are popular among the younger generation. A Formosan basketball team toured the United States and countries in Southeast Asia in 1955. A soccer team from Formosa is to participate in the Olympics in Australia.

524 Mah-jongg and chess, traditional games
517 of the leisured class, have retained their popularity among the older generation. The young favor motion pictures and dancing.
517 Government officials and wealthy persons of
529 other classes take their families to one of the numerous scenic resorts or hot springs in

517 northern Formosa for a country weekend.
529 Only the poor have little time, money, or
leisure for these pastimes. But the workers
517 in the cities amuse themselves by playing
upon the hu-ch'in, a two-stringed fiddle, or
singing folksongs, as well as granting themselves a short holiday at the time of local festivals. For rural workers, a shopping trip to a nearby city affords the greatest pleasure and provides them with subjects for idle talk when they have opportunity to visit with neighbors.

E. Annual Festivals

527 The primary recreational outlet for the people of Formosa is active participation in public festivals. The majority of Chinese festival days are observed on the island, particularly in the rural districts. The New Year is a time of family reunion as well as a time to propitiate the gods and do reverence to the dead.[5] The festival lasts for fifteen days, and daily offerings are made to the household gods and to the family's ancestors.

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[5] The festivals are celebrated according to the lunar calendar, which lags about one month behind the Gregorian calendar.

527 Members of the family who live at a distance revisit the home. Poorer families, who seldom eat meat during the year, have feasts during the New Year's festival, even if it means slaughtering the family pig or a number of hens.[6] Formosans also celebrate the Dragon-boat Festival on May 5 and the Moon Festival on August 15. The birth of Confucius, the birthday of Dr. Sun Yat-sen, and the anniversary of the founding of the Chinese Republic are national holidays. Government offices and schools are closed and there are memorial ceremonies.

574 The family itself celebrates marriages and births with elaborate feasts for relatives and friends. Funerals are also a time for large gatherings; a feast is usually provided for those who walk with the procession and attend the rites of burial.

796 Many religious ceremonies provide additional opportunities for celebrations. A day devoted to Matsu, goddess of travel, is remembered. Her traditional importance to the Formosans may be attributable to the protection she offered those who made the

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[6] Low-income groups eat little meat except at festival times. Raper, op.cit., p. 274.

796 perilous voyage from the Mainland across the stormy waters of the Formosan strait. Kuan-yin, the goddess of mercy, offered protection to those building settlements in a primitive and often hostile land. The Land God is also remembered, since Formosa is primarily a land of farms. These ceremonies include street processions, music, dancing, religious dramas, and feasts.

F. Folk Beliefs

771 In an agrarian society, folk beliefs are always naive and superstitious. When ways of life change, folk beliefs undergo transformation, for folk beliefs are but reflections of reality. In the present century, when science and technology had begun to modify the conditions of life of the Formosan people, folk beliefs altered. Infant mortality was once a serious concern on the island, and the gods who protected children were propitiated. The dragon who regulated the amount of rainfall received offereings from people in rural districts. After irrigation canals were constructed it was no longer necessary for farmers to seek the favor of a

771 rain-making god.[7] In 1903, Formosa had 3,662 temples consecrated to the dragon god; only one remains today.

In 1715, grasshoppers destroyed crops in the district of Fenshan. Soon after, a temple was erected to appease and honor the god of the grasshopper. For over two hundred years, farmers went to the temple before each harvest to make offerings and invoke the mercy of the god. Only now that the use of insecticides has become widespread has the temple been torn down. Similarly, vaccination has dethroned the god of smallpox. The same fate befalls the gods who look after mothers and children as modern medicine minimizes the dangers of childbirth and lowers the rate of infant mortality.

Folk beliefs in Formosa were fostered in rural areas; with increasing industrialization and urbanization, folk beliefs lose their

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[7] In 1902, only 23 per cent of the cultivated land on Formosa was irrigated by a system of canals. In 1942, approximately 64 per cent of the farmland was under irrigation.

771 power to determine the customs of the people.

G. Superstitions ~~and Taboo~~

784 In spite of the enormous strides made by education in the past three decades, many superstitions and prejudices persist among the Formosan people. They often take the form of taboo or premonitions.

Some uneducated Formosans believe that if a person stumbles on the threshhold of his home just before commencing a journey, danger awaits him en route. To choke while eating presages bad luck. An itching ear is a sign that others are talking about us. The crowing of a rooster at night is a bad omen. Illness and misfortune are punishments sent by angry gods who demand propitiation. An earthquake is caused by the restlessness of a sleeping bull. The dead, especially those who have drowned, are objects of fear. People who waste rice may be struck by lightning.

[826] The aborigines have their own superstitions and taboos. Twins and crippled babies are misfortunes to a family and are allowed to die at birth. Intermarriage among members of the same clan is forbidden. Only members of the immediate family may touch

784 the dead. No person may eat the food raised by a clan to which he does not belong.

These are taboo, superstitions, and prejudice, and yet all have a symbolic reference to reality; some tend to protect the group against the wilfulness of the individual; others can be explained in psychosomatic terms; still others are poetic interpretations of natural phenomena.

828 Belief in the value of the interpretation of dreams is another aspect of the folk-culture of the Formosan people. Those who dream of wearing a yellow robe or of sighting fish swimming in a well may expect to receive money.[8] Those who dream of drinking on a high terrace may expect to be offered a position in government. To dream of murder or suicide is interpreted as a good omen. To dream of ants in bed or of a clouded mirror are evil omens. All of these have their Western equivalents, the patently absurd in dream books, the poetically accurate in the literature of psychoanalysis.

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[8] This superstition led many families to attempt to breed fish in the family well.

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000 Since the restoration of the island to China, the people of Formosa are able to enjoy a larger measure of freedom and self-direction. Industrialization has been greatly accelerated. International trade, once confined to Japan and handled exclusively by the Japanese, now brings Formosa into contact with every corner of the globe. Science and technology have broadened the Formosan way of life. Provincialism and prejudice, largely responsible for the internecine struggles which hindered the development of Formosa in centuries past, are giving way to cosmopolitanism and tolerance. A new pattern of living is taking shape.

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Annex "A," Subparagraph 1i,
Sociological Background

ARTISTIC AND INTELLECTUAL EXPRESSION

53 In its course of change, Formosa has evolved from a primitive folk society to a comparatively modern society, and in the process, its artistic and intellectual expression, derived from traditional Chinese culture, has been strongly influenced by Western civilization. The most noticeable transformation occurred during the 1920's, following hard upon marked changes in Formosan economy and ways of life.

I. TRADITIONAL EXPRESSION

Before 1920, literary and philosophic thought, calligraphy, painting, music, and drama followed traditional patterns of artistic and intellectual expression brought to Formosa from the China Mainland. There are few examples of artistic or intellectual expression distinctive to Formosa.

Literary and Philosophy Thought. In Formosa as in China proper, literature and philosophy were the provinces of the scholar-official (mandarin) and scholar-gentry classes, who had sufficient education and the leisure to seek opportunities for the expression of ideal forms of culture

53 and good taste. Theirs remained private arts, practiced for pleasure, and had little to do with the common people, who may have respected these activities but did not understand their value.

Some scholar-officials of the Ming Dynasty (A.D. 1368-1644) came to Formosa during the rule of Koxinga (see chapter on Historical Setting). To provide diversion in this outpost of civilization, they formed literary groups and poetry associations. Some of their works have been preserved. During the Manchu Dynasty (A.D. 1644-1912), the mandarins continued to devote their leisure time to literary activities, and Formosans aspiring to the class of scholar-officials began to participate in the various intellectual movements. Of the chronicles that remain, a series of studies of the various prefectures, documents comparable to our present-day regional surveys, are of particular interest. Poetry associations continued to flourish until the later years of the Japanese rule in Formosa, when the scholar-official class began to lose its place in the modern community.

Fine Arts. The scholar-officials and scholar-gentry also made painting and calligraphy their provinces. There were no professional artists as we know them. Painters, sculptors, and architects skilled in building temples and mansions were looked down upon as artisans, gifted members of the lower classes.

Music. The gentry cultivated certain skills in music, composing and playing traditional instruments for private enjoyment or as a mark of accomplishment. Among the lower classes, the

53 the usual folk music, unwritten and passed from generation to generation, was extremely popular. Professional musicians formed a part of the Formosan society and were called upon to perform at funerals or entertained the guests following the marriage rites. They had a low social status. Sacred music as well as dances of a religious nature were performed at annual festivals and consecrated to the memory of Confucius.

Drama. Traditional Chinese drama, which flourished on Formosa, is akin to the Western opera. Songs and speeches were performed in mandarin Chinese, and although most native Formosans did not understand mandarin, they patronized the opera. More popular than opera was a kind of folk show, using local dialects and stemming from religious ceremonies in much the way Western drama developed from religious processions and the re-enactment of religious themes. Puppet shows, similar to those seen today in Java, also played a part in the island's entertainment. Actors and players were considered mountebanks, amusing and irresponsible members of the community.

Folklore. Myths, legends, folktales, folksongs, proverbs, and riddles popular on Formosa resemble those common in South China, which in turn have their equivalents in every culture. Local names and local heroes are substituted.

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II. CONTEMPORARY EXPRESSION

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Modern artistic and intellectual expression are carried on by professionals and semi-professionals who enjoy popular respect if successful. However, even as recently as the 1920's the young who wished to make a career of poetry, painting or music were dissuaded by their families or faced disapproval and strong opposition. It remained a distinction for the family if a young man chose to become a teacher.

Primary and secondary schools on Formosa have fostered an interest in the arts. Missionaries from the Western countries have sometimes encouraged artistic activities, and performers and exhibits from Japan and the Western countries sometimes came to Formosa. Advanced study in any of the arts usually required trips to Japan and China. Later, some centers of artistic and intellectual activity were formed on Formosa, and often they became an integral part of political and social movements. Politically speaking, the development of native centers was a protest against Formosa's status as a colony; socially, it was a criticism of traditional culture, and was stubbornly resisted by conservative elements. The young were attracted to the new culture which looked to the West for inspiration and guidance.

Literature. The magazine Taiwan Youth (later changed to Taiwan) was first published in July 1920 as an organ for literary and cultural

53 expression. Printed in Tokyo, it was subject to strict censorship. It continued monthly publication until May 1924. In 1923, a fortnightly journal, Taiwan People's Journal, began publication in Tokyo. Later, it became a weekly magazine, and in August 1927 the colonial government permitted the offices of the journal to move to Formosa. In 1932 it became a daily newspaper. These magazines were chiefly concerned with articles on current political, economic, and social problems, although space was allotted to literature and the arts.

A controversy over language and style was in progress during 1922-24. The magazine Taiwan included articles in Chinese and Japanese, but rising national sentiment urged the exclusive use of Chinese so that an increasing number of Formosans interested in the new cultural movement might benefit. However, because traditional Chinese style was antiquated and not suitable for the exact expression of the new culture, a popular style, which made no distinction between the spoken and the written word, came into vogue. "Popular Chinese" was already in use on the Mainland, and in 1923 the Taiwan People's Journal was published only in Chinese.

The "new style" demanded a change in concepts and values, and conservative intellectuals were not in favor of so radical a departure from established mores. Disputes continued through the 1920's, although by 1925 modern translations of Western and Japanese literary works had begun

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53 to appear, and by 1927 many Chinese works in the new vernacular were read in Formosa.

Hitherto the Taiwan People's Journal and the magazine Taiwan had been the only outlets for literary works; after 1930, various literary groups were formed and a number of literary journals were published. In 1935, these groups were united under the leadership of the Taiwan Literary Federation.

When the Japanese invasion of North China began in June 1937, publishers in Formosa were forbidden to use the Chinese language. Censorship of all literary activities was strictly enforced. Expressions of national sentiment were forbidden, and artists were forced to confine themselves to minor themes involving local manners and customs.

Fine Arts. Japanese teachers in secondary schools encouraged an interest and talent for water colors and oil painting. In the 1920's, talented Formosans went to Japan to continue their training, and many associations of artists were formed. In 1927, the Taiwan Educational Association sponsored a semi-official art exhibition. In 1938, the government undertook sponsorship of the exhibition and continued it until 1943. Both Japanese and Formosans participated in these exhibitions under government sponsorship. A federation of artists was established in 1934 and continued the promotion of native arts until 1944.

Ideological content is less evident in the fine arts and in music than it is in works of literature, and for this reason censorship of paintings

53 was not strictly enforced. During the period of Japanese rule, and especially during the years of the Japanese invasion of Mainland China, when artists in other fields were silent, music, sculptur and painting flourished on the island.

Music. Talented young Formosans received their musical training in Japan during the 1920's. In 1934, a group of musicians banded together to give concerts. In 1936, for the relief of earthquake victims, a fund-raising concert team was organized to tour the island.

Drama. Stimulated by the activities of the Japanese on Formosa and by students who had observed the rise of new dramatic forms on the China Mainland, native troupes organized a drama movement in 1923. Members of the Taiwan Cultural Association gave equal emphasis to the artistic value and the enlightenment value of drama. The leader of the new dramatic movement, Wei-hsien Chang, went to Japan in 1928 for further theatrical training. Upon his return, he organized a dramatic school. In 1934, a drama festival open to both Japanese and Formosans marked the peak of dramatic activity on the island. Since that time, dramatic art has languished.

Dance. The performances of visiting Japanese and Western dancers in Formosa acted as a stimulus to the Formosans. Japanese teachers conducted classes in ballet, and many Formosans went to Japan for extensive training.

814 **Intellectual Activity.** The Japanese colonial government encouraged training in medicine, agriculture, and management in order to increase the number of technical personnel for local industry. Training in the humanities and the social sciences was not encouraged, since these endeavors might tend to awaken national consciousness. But many Formosans persisted, migrated to Japan and China for additional training, and returned to publish in various academic journals. Few positions were open to graduates in the humanities and the social sciences, and there is little evidence of collective activity in these fields, although some intellectuals formed small groups.

III. POSTWAR EXPRESSION

53 After Formosa was restored to China in 1945, artistic and intellectual activities received a new impetus from the abandonment of cultural restrictions imposed by the Japanese. They have continued to increase as the result of the great number of artists and intellectuals from the Mainland who have taken refuge in Formosa. Participation in various groups has grown steadily. This is particularly true in the fields of literature.

The revival of traditional drama, opera, and native music is underway, and all forms of artistic expression are studied. Motion pictures, particularly those imported from the United States are popular. A provincial orchestra has been forme and often broadcasts. An annual art exhibition has been established by the provincial government.

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53 The China Literature-Arts Prize Committee awards cash prizes to writers and composers who show evidence of talent; prizes are apt to go to those who use anti-Communist themes or offer works encouraging the awakening of national consciousness. Prizes are awarded to poets, novelists, dramatists, and composers. One of the more important organizations for the promotion of literary and artistic activities is in the China Literature and Arts Association.

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Annex "A," Subparagraph 1j,
Sociological Background

EDUCATION IN FORMOSA

I. LITERACY

212 The literacy of its people is a prerequisite for a country's scientific and technical advancement and for the improvement of public health. It has been reported that about sixty per cent of the population in Formosa over six years of age are able to read and write.[1] Literacy here probably includes literacy in the Japanese language for many of these people completed their education before the end of World War II, at a time when Formosa was governed by the Japanese. Some of these people may not be able to read Chinese. This complicating factor has resulted in the printing of articles and pamphlets in both Chinese and Japanese; Harvest, a partly bilingual farmers' magazine, is an example.

Literacy in Formosa is high as compared with the rates of some other Asiatic countries, although definitions of "literacy" may vary. Forty per cent of Thailand's population are literate, the literacy of Burma stands at 36 per cent, that of Indochina (Laos, Cambodia, Vietnam) is 15 per cent, and that of Indonesia 7 per cent.[2]

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1. China News Press, China Annual, 1954, Taipei, 1954, p. 78.

2. Economic Co-operation Administration, Far East Data Book, Washington, D. C., Nov. 1951.

212 But Formosa's position appears less favorable when compared with that of industrially advanced countries such as the United States, which has a literacy rate of about 95 per cent.

The potential literacy of Formosa's population holds promise. More than 90 per cent of the children of school age are now attending primary schools, and it is expected that within fifty years the percentage of literacy will have increased to that current in the United States. Meanwhile, adult education in Mandarin Chinese is being vigorously promoted. During the school year of 1954, approximately 610,000 people attended 5,670 classes (mainly for the teaching of Mandarin) given by hsien governments and municipalities.

II. EDUCATIONAL SYSTEM

87 The educational system in Formosa follows closely that of the United States, though use of terms may differ somewhat. In the main, six years of primary and six years of secondary education constitute the basis for advancing to the collegiate level, which generally runs for four years. Post-graduate work leading to a Master's degree requires two years of study. Vocational education begins at junior middle-school level, at senior middle-school level, or at college level. Normal-school education (teacher-training) begins at senior middle-school level, where primary-school teachers are trained. Because educational facilities are limited, competitive entrance

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SIMPLIFIED EDUCATIONAL SYSTEM
School Year 1954-55

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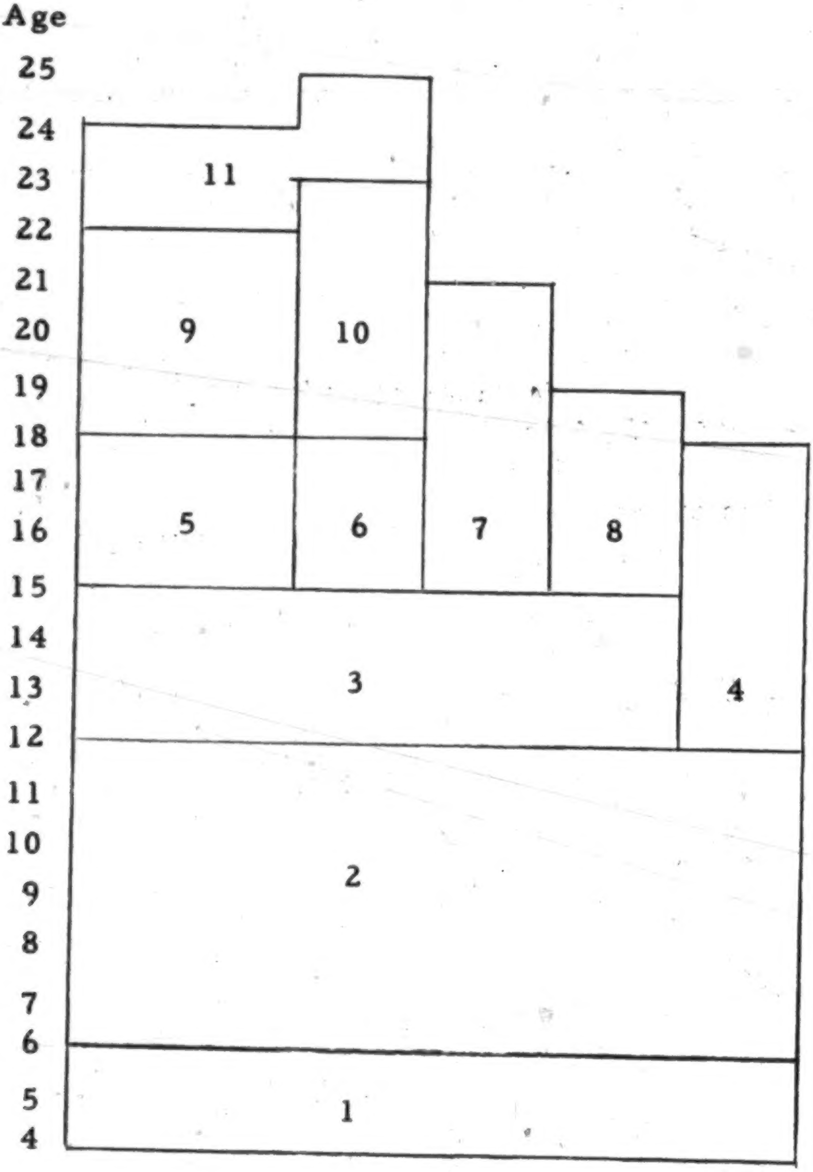
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KEY

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1. Kindergarten -- one to two years
2. Primary School -- six years
3. Junior Middle School -- three years
4. Vocational School -- one to six years
5. Senior Middle School -- three years
6. Normal School -- three years
7. Junior College -- two to six years
8. Senior Vocational School -- four years
9. College -- four years
10. Normal College -- five years
11. Graduate School -- two years

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871 examinations are required at each educational level above junior middle schools.

A. Primary Education

872 Primary education begins when a child reaches the age of six and lasts for six years. Primary education is compulsory and free to all school-age children, "school age" being defined as from 6 to 12 years. Salaries of the teaching staff are paid by local governments. Textbooks and tuition are free, but children must buy their own notebooks and pencils.

The objectives of primary education are good citizenship, proper habits, and the basic knowledge and skill necessary for earning a living. As to language, emphasis is placed on the teaching of Mandarin Chinese as evidenced by the fact that all children entering school must be taught the Mandarin phonetic symbols during the first twelve weeks of school. All texts are in the Chinese language, the compilation of which emphasizes commentary on Dr. Sun Yat-sen's "Three People's Principles,"[3] exposure of the barbarism of the Communists, explanation of the nature of Soviet imperialism, stories illustrative of a patriotic spirit, material relating to Formosa past and present, and other items conducive to the building of morale and to the strengthening of determination to fight against Communist and Soviet imperialism.[4]

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[3] Nationalism, Democracy and Livelihood. For details, see the chapter on Structure of Government.

[4] China Handbook 1954-55, Taipei China Publishing Company, 1954, p. 313.

872 In the academic year of 1954-55, there were 1,350 primary schools in Formosa, with 22,025 classes and an enrollment of 1,113,438 students. The teaching staff numbered 27,944. Percentage of attendance averaged 90.83 with 95.95 the average for boys and 85.32 for girls.[5] From this percentage, it may be inferred that compulsory education is not necessarily enforced. It is possible that some families are too poor to send children to school, and the children are needed at home to supplement the family income. Since most of the schools do not have bus transportation for children, those who live too far away to walk to school may be unable to attend.

B. Secondary Education

873 Three types of secondary schools may be noted, namely, academic middle schools (called middle schools throughout this study), vocational schools, and normal schools (for teacher-training).

1. *Middle schools* Academic middle schools are divided into those that have both junior and senior divisions and those that have only the junior division. Generally, each division requires three years of study in which Chinese, English, mathematics, physics, chemistry, biology, physiology, hygiene, geography, history, civics, and manual work are taught. Military training is required of senior middle school boys (girls take nursing instead),

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[5] Provincial Dept. of Education, *T'ai-wan-sheng Chiao-yu T'ung-chi 1954-55 School Year* [*Statistics of Education in Taiwan Province*], [contd.]

and scout training is given to all junior middle-school students. (This subject is further discussed in the section on "The Role of Government" below.) Stress is placed upon the study of the Chinese and English languages; in fact, these two courses take up one-third of the weekly teaching hours. Mathematics, natural sciences, and military training or scout training each takes one-tenth of the total week-hours. Since 1950, some schools have adopted, on an experimental basis, the so-called 4-2 system--four years in the junior division and 2 years in the senior division. It was recommended that the traditional 3-3 system be adjusted to a 4-2 system so that those pupils who could not afford to go through the whole period of six years might stop at the end of the fourth year. Repetition of junior-division courses in the senior division is avoided. The system has the advantage of giving general courses in the first four years, while in the last two years students are grouped into arts and science majors for concentrated study.

In the academic year 1954-55, there were 137 middle schools in operation, 82 of which had both senior and junior divisions. Enrollment reached 125,203, with 24,198 in senior divisions and 101,005 in junior divisions. Less than one-third of the primary-school graduates entered junior middle schools; 42,053 students enter junior middle schools in the autumn of 1954; although there were 141,384 graduates from primary schools in the summer of[6]

[5. continued] Taipei, 1955, Tables 1-4, p. 69.

[6] Statistics in this paragraph are from Provincial Department of Education, op. cit., Tables 32, 44, and 76.

873 the same year. Traditionally, the highest graduates from primary schools enter public academic middle schools; the less able graduates enter vocational schools. With a few exceptions, a nominal tuition fee is paid in secondary schools. Tuition at private universities is expensive by Formosan standards.

874 2. Vocational Education Vocational schools give youth the necessary training in production techniques and practical knowledge to earn a living, with emphasis on the "patriotic nature of all endeavor." There were, in the 1954-55 school year, 91 vocational schools, which included 41 agricultural schools, 18 engineering, 18 commercial schools, 3 maritime schools, 8 schools of home economics, and 3 nursing schools. All have junior and senior divisions with the exception of nursing schools, which have only a senior division. Students enrolled in the same period numbered 52,830, of which 17,823 were in the senior division and 35,007 in the junior division.

To emphasize the practical aspects of vocational education, the Ministry Education in October 1954 called a conference of educators with leaders in agriculture, industry, commerce, and medicine to discuss problems and techniques of developing teamwork between schools and employers. Although no concrete program was adopted, individual schools are making efforts to increase field practice to give their students practical experience. However, it is reported that many factories and enterprises are reluctant to make their facilities available to students.[7]

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[7] Provincial Dept. of Education, Vocational-Industrial Education in Taiwan, Taipei, 1953, p. 6.

874 Vocational schools lack competent teachers because the salaries offered are low compared with those offered for work in factories and business enterprises. Equipment and size of workshops in the schools are reported to be inadequate to provide full opportunities for all students. Consequently, undue emphasis is put on the theoretical aspects of the subjects studied and lack of practical experience makes comprehension difficult.[8] Efforts are being made to find solutions to these problems.

3. Teacher-training Schools There are 9 teacher-training schools, with 6,539 students, of whom 3,750 are boys.[9] The importance of teacher-training is appreciated because it is recognized that the quality of teachers determines the quality of the generation to come. The traditional feeling toward vocational schools, as has been mentioned, and the generally low salaries of teachers, make the profession of teaching less attractive. To encourage people to become teachers, the training schools offer free tuition, room and board, and uniforms. Those who complete their training agree to serve as teacher for at least three years after their graduation.

In teacher-training, cultivation of a national consciousness and patriotic sentiment, a strong background in Mandarin Chinese, and an understanding of the value of labor are given closest attention. For these purposes, teaching of materials from the

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[8] *Ibid.*

[9] Provincial Dept. of Education, *Statistics of Education in Taiwan Province, 1954-55*, Table 45.

(Table faces p. 181.)

Institutions of Higher Education

Autumn-1955*

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Name of Institution	Location	Enrollment	Number of Faculty
National Taiwan University	Taipei	4,797	1,583
Graduate School, National Political University	Near Taipei	56	30
Provincial Normal University	Taipei	1,426	320
Provincial College of Agriculture	Taichung	961	208
Provincial College of Technology	Tainan	1,264	292
Christian Tunghai University	Near Taichung	200	—
Provincial College of Law and Commerce	Taipei	1,523	136
Law School of Soochow University	Taipei	400	42
Tamkang English College	Tanshui	821	86
Tahsu Medical College	Kaohsiung	61	14
Provincial Maritime Junior College	Keelung	335	76
Provincial Junior College of Agriculture	Pingtung	150	41
Provincial Junior College of Technology	Taipei	1,553	253
Provincial Junior College of Nursing	Taipei	83	23

*Enrollment and size of faculty are for academic year 1954-55; statistics, with the exception of Christian Tunghai University, are from the Provincial Department of Education, *T'ai-wan-sheng Chiao-yü T'ung-chi* /*Statistics of Education in Taiwan Province, 1954-55*, Taipei, 1955, Tables 6 and 8. The figure for Christian Tunghai University is from *The Asian Student*, November 8, 1955. Number of faculty not available.

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874 Four Books[10] and training of students in farming as well as in handicrafts are emphasized, so that they will in turn be able to instruct children in such matters.

C. Higher Education

873 After 12 years of primary and secondary education, students may take a competitive examination for entrance to institutions of higher learning. In the autumn of 1955, approxi mately 2,300 freshmen entered colleges and universities although some 12,000 students sat for the examination. There are 14 institutions of higher learning, with an enrollment of about 14,000. Location, enrollment, and size of faculty for these instutions are given in the following table.

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[10] The Great Learning, The Doctrine of the Mean, Confucian Analects, and the Works of Mencius, all pertaining to Confucian philosophy and moral principles.

873 More than half of these institutions are located in or near Taipei. Indeed, Taipei is the most important educational center of the island.

In addition to concentration in specialized fields, all students are required to take four courses in common before graduation, namely, courses in modern Chinese history, the Three Peoples' Principles, the history of Soviet encroachment upon China, and world organization and current conditions. Since October 1954, military training in the school as well as upon graduation is required of all male college students (girls are required to take courses in nursing). Conferring of a degree is conditional upon completion of the training.

Educational facilities and opportunities are being continually expanded and improved, but they are still far short of the demand for higher education. Through co-operation of some American universities and the sponsorship of the American Mutual Security Mission to China, educational systems and teaching methods are being revised and educational facilities are being improved.

874 D. Graduate Education and Research Facilities

The National Taiwan Universirty, the National Political University, and the Provincial Normal University have graduate divisions where students complete a two-year course. Upon successful passing of an examination and the completion of a thesis, the Master's degree is conferred upon the graduate.

In National Taiwan University there are 13 graduate divisions, one in the College of Law, another in the College of Arts, and the remainder

874 in the departments of natural and applied science. In the academic year 1954-55, there were 149 graduates at the university. A graduate division of the College of Sciences publishes periodic reports on the results of its research. With the assistance of American agencies, the university is improving and expanding its facilities to be comparable to those in the United States. The government has recently established an Atomic Energy Committee and five atomic-resarch centers. Two of the centers are located in the university. Research is concerned with the peaceful use of atomic energy.

The Graduate School of the National Political University has four institutes, known as the Institute of Civic Education, the Public Administration Institute, the Institute of Journalism, and the Institute of International Relations. They lack satisfactory library facilities of their own and must borrow books from the National Central Library or from the Library of the Ministry of Education. Efforts are being made to buy more books at home and abroad. In early 1955, the total enrollment was 56.

In view of the increasing number of students, library collections in general at these institutions are not adequate and space is limited. Most of their collections are old, and books in the Japanese language constitute a major part of the collections.

The Academia Sinica, established as the highest institution for scientific research in China, carries on a program of scientific research, which includes its direction, co-ordination, and promotion. Thirteen institutes, composed mostly of academicians (Yüan-shih or research scholars), were established before the government's removal to Formosa, but only one institute, the Institute of History and Philology, was moved from Nanking to Formosa with its collections intact. Its research work has continued. Some academicians of such institutes as those of astronomy, geography, botany, and medicine also are continuing their research work with the existing facilities on the island. In 1955, a new Institute of Modern Hstiroy was established under the direction of the distinguished scholar Kuo T'ing-i. The announced purpose of the institute is to collect and organize source materials and to support critical research on "Chinese history since the beginning of the 19th century, inclusive of changes in diplomatic relationships, military and political conditions, social and economic institutions, letters and arts, and systems of thought; successes and failures of the modernization movement; and the development and growth of Chinese Communism." [11]

E. Social Education

The core of social education in Formosa centers around the obliteration of illiteracy and

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[11] "General Scope of the Research Program for the Institute of Modern History, Academia Sinica." Typescript, distributed by the Institute in August 1955.

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83 the promotion of a national consciousness, the improvement of public sanitation, and the furtherance of co-operation between the armed forces and the people. The main objective of such a program is the training of those people who have missed opportunities to attend schools. They are trained in one or several of the following fields:

1. Languages -- overwhelmingly Mandarin, with English to a considerable extent.
2. Citizenship -- cultivation of national spirit and promotion of traditional moral principles.
3. Vocation -- accounting, typewriting, drawing, auto mechanics, radio and telecommunication, handicraft, etc.
4. Arts -- drama, music, writing, etc.
5. Sciences -- physics, chemistry, and biology.
6. Health -- physical education and sanitation.

Local schools and private educational organizations participate in the educational program. All the primary schools on the island have "mass continuation classes" where Mandarin and citizenship are taught. In some instances, attendance by the underprivileged is made compulsory.[1]

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12. *Chung-kuo Chiao-yü Hsüeh-shu Yü Wen-hua 1954* [*Education, Learning, and Culture in China*], Taipei, Education and Culture, Inc., 1955, p. 47.

873 In 1954, there were 23 provincial and private vocational schools which provided teaching staffs and facilities for some 10,000 people, mostly factory workers and farmers, and gave classes in vocational education for periods ranging from 2 to 12 months. In the same year, there were also 418 vocational classes, most of private organization, of which 213 taught the fundamentals of tailoring, 39 taught English, 30 taught typewriting, and 30 accounting.

Active promotion of social education by the government is worthy of mention. The provincial Department of Education has built four social education halls in Hsinchu, Changhua, Tainan, and Taitung, which are used for counseling and teaching in all fields of social education. These education halls are often used for concerts, movies, and social meetings of various kinds. Audio-visual aids are now widely used in teaching, and local governments are ordered to set aside a certain portion of their budgets for this purpose. A radio network for educational purposes, reaching the entire island, is now in operation. (See chapter on Propaganda and Public Information.)

217 With the exception of those located in various schools, the following are the most important libraries and museums on the island: The National Central Library with 120,000 volumes, located at the Botanic Garden, Taipei; two provincial libraries, at Taipei and Taichung, and 15 hsien and municipal libraries at Taipei, Tainan, Kaohsiung, Keelung, Hsinchu, Yilan, Taoyuan, Taichung, Changhua, Chiayi, Pingtung, Hualien, Penghu, Miaoli, and Nantou. These seventeen

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217 libraries have a total of 46,187 books in European languages, 241, 574 in Chinese, and 240,603 in Japanese.

874 The provincial Department of Education also maintains two trade schools for the deaf, dumb, and blind at Taipei and Tainan. These schools provide free education in trades such as woodworking, barbering, shoemaking, massaging, etc., and can accommodate 436 students, principally children.

658 Special attention has been given to fine arts education in order to encourage the aesthetic aspirations of the people. The Ministry of Education recently established for this task the Committee for Fine Arts Education and the Committee for Research and Improvement of Chinese Opera. New plays are being written and concerts, art exhibitions, and other cultural events are provided under the committees' promotion.

III. ROLE OF THE GOVERNMENT

A. Content and Character of the Role

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In Formosa, the government has general control over the supervision, educational policies, and organization of schools at all levels.

The Executive Yuan, in its proposal of an administrative program to the Legislative Yuan in March 1952, set its educational objectives as follows:"that in order to meet the needs of time...

the education program should develop the moral character of the citizens...should denounce the false doctrine of class struggle so as to eradicate the contamination of Communism and Soviet imperialism...and should guide and assist youth who cannot afford to attend school and encourage them to participate in the gigantic work of national salvation..." Within these broad principles, the Ministry of Education, a part of the Executive Yuan, exercises supervisory power over the education of the entire country and controls the compilation of textbooks. Financing, maintenance, and administration, however, are left to the provincial and local governments. In the academic year 1954-55, the budget of the Ministry of Education, including a supplementary budget, amounted to NT$ 73,580,000 (US$4,7560,000, at NT$15.65 to US$1 as of June 1954) which constituted 2 per cent of the national budget. However, educational expenditures are borne largely by the provincial government, which allocated 25 per cent of its NT$1,200,000,000 expenditures for educational purposes in the 1954 fiscal year. The educational appropriations of 16 hsien and 5 municipalities and the Yangmingshan board of administration averages 35 per cent of their total budgets.[13] All the primary schools on the island are publicly owned. Only 29 of the total of 237 secondary schools (including 21 middle schools and 8 vocational schools) are privately owned. Of 14 institutions of higher learning, 3 are owned and administered by private interests. The organization or dissolution of any school, moreover,

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[13] Chang Chi-yun, Education in Free China, Taipei, China Culture Publishing Foundation, 1954, pp. 2-3.

87 is subject to the permission of the educational authorities of the government.

New requirements in the courses offered in all levels of schools -- non-academic labor and military training -- are recent implementations of the educational program. All primary and secondary schools are required to provide vegetable gardens, workshops, implements, tools, machines, etc., in order that students may learn the habit of manual work and productive efforts. Efforts are being made to achieve closer coordination between the school and the community and between vocational schools and factories or farms.

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701 Needs of the time, especially in Formosa, clearly indicate the necessity for military preparedness. The Ministry of Education is of the opinion that educated people should be prepared to serve on the home front if they are not to serv in the front line. Students of all schools above junior middle-school level are required to take military training at school and upon graduation Girls are required to take nursing instead of
87 military training. As of 1954, more than 90 per cent of the schools at junior middle-school level were giving scout training, and there were approximately 8,876 Boy Scouts and 3,084 Girl Scouts[14] in Formosa.

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[14] Chung-hsin Ch'en "T'ai-wan-sheng T'ung-tzu-chun Chiao-yu Kai-k'uang, " ["Boy Scout Education in Taiwan"] Chiao-yü Yü Wen-hua [Education and Culture Weekly], Vol.6,No.10, pp.9-11.

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87 In addition to training, Boy Scouts in Formosa render social service by contributing radios and books to the armed forces and by such services as maintaining order in public meetings.[15]

B. Education of Overseas Chinese

87 648 Education of overseas Chinese is under the charge of the Ministry of Education. It is undertaken on the premise that overseas Chinese support the government of their motherland and wish to preserve their traditional culture. Chinese Communists are now making a tremendous effort to indoctrinate overseas Chinese and to attract them to study on the Mainland.

There are about 2,338 primary and secondary schools[16] of overseas Chinese over the world, more than 90 per cent of which are in Southeast Asia. The ministry supplies textbooks to 1,817 of these schools and also distributes periodicals and books intended to familiarize the Chinese with Chinese culture and institutions. The ministry plans to establish a university in Formosa for overseas Chinese; in the meantime, the National Middle School for Overseas Chinese, with an enrollment of 200 students from Vietnam, Korea, and other countries began instruction on October 21, 1955.

The ministry has continually helped the overseas students by assigning them to various

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[15] Ibid.

[16] Asia Foundation Bulletin, Aug. 5, 1955.

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schools on the island, assisting them in finding part-time employment, and offering them counseling while at school. It is reported that, during 1951-54, there were 2,350 overseas Chinese attending colleges and universities in Formosa through the encouragement of the ministry.[17] About one-fourth attended National Taiwan University.

An Overseas-Chinese Teachers' Department is being established at the Provincial Normal University, where 50 teachers, to be selected from middle schools of overseas Chinese, are to complete a two-year training program.

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[17] Ibid., May 31, 1955.

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Annex "A," Subparagraph 1k,
Sociological Background

RELIGION

I. GENERAL BACKGROUND

771 The dominant, yet nameless, religion which exists in Formosa today is a system of worship, derived from such diverse sources as Taoism, Buddhism, and Confucianism, each of which has contributed some of its teachings and practices to the system, intermixed with folk beliefs. The religion is polytheistic and has its roots in the worship of Nature and one's ancestors. Most of the people on the island do not belong to a single religion but worship the gods of the three religions. Their religion, thus, is inclusive and tolerant. In almost every Formosan Chinese household an altar may be found in the central hall. On the altar, beside the tablets of ancestors, the images or symbols of several gods are displayed. Among them are usually Kuan-yin [Goddess of Mercy], a Buddhist goddess; Sheng-mu or Matsu [the Holy Mother of Heaven], Tsao-chün [the God of the Hearth], Fu-te-cheng-shen [the God of Wealth and Virtue] -- these three being derived from the Confucian system; and T'ien-kung [the Jade Emperor or Supreme God of Heaven], a Taoist god. In addition, each house has a Men-shen

771 [Diety of the Door].[1] There is also among the Formosan Chinese another common object of worship, Ch'eng-huang-yeh [the Judicial God], who is believed to have judicial and policing powers over the living and the dead. In essence, these folk-beliefs constitute the religion of the island; it is estimated that about 7,000,000 people (about 70 per cent of the population) subscribe to them in one way or another. Wide latitude seems to exist between strict surface adherence and true belief among the younger generation. Young people and urban intellectuals are less enthusiastic about the religion and follow it only as a matter of family observance. But it is still very influential among women, older men, and the less-educated. More than 3,000 temples of various gods existed throughout the

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[1] Fukutaro Masuda, Taiwan hontojin no shukyo [Religion of Taiwan Islanders], Tokyo, 1935, p. 47. Classification of these gods into certain philosophical schools such as Confucianism and Taoism may appear arbitrary. But it is done so in this source probably because the gods of the folk religion tend to be ascribed to one school or another, by the general public.

771 period of Japanese rule.[2] The number of temples has not decreased; since the Restoration in 1945, many temples have been repaired and new ones have been built.

797 On Formosa the faithful of other religions
779 are numerically unimportant. There were only 41,000 "true" Buddhists among the Formosan Chinese[3] in 1942. In 1954, there were about 34,000 Catholics with 126 churches, and 80,000 Protestants (about 4,600 of them Presbyterians) with about 600 churches.[4] There were about 900 Taoists[5] on Formosa in 1955. These various religious groups constitute less than 2 per cent of the total

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2. Taiwan Provincial Government, Statistical Summary of Taiwan for the Past Fifty-one Years, Taipei, 1946, Table 507.

3. Ibid., Table 510. This seems to be the latest figure available on the number of Buddhists on the island.

4. China News Press, Chung-hua Nien-pao, 1954 [China Annual, 1954], Vol. II, Taipei, 1955, pp. 103-106.

5. There were about 900 Taoist believers on the island in 1955. Chung-yang Jih-pao [Central Daily News], Taipei, Oct. 7, 1955.

797 population.[6] Mohammedanism was introduced
779 after the Restoration; the number of believers are very few. The majority of the recent converts to Christianity are high school and college students.[7] These students are believed to have become Christians largely because of their wish to follow Western practices.

797 Many Protestant and Catholic missionaries have continued and expanded their vigorous activities since the end of the war. Many who were forced to leave the China Mainland are now continuing their work on Formosa. Besides the preaching of the Gospels, they have intensified their educational and social services. For instance, there were some 270 priests and 160 sisters of the Catholic Church on Formosa in 1955. Twelve priests and four nuns were teaching at Taiwan National University.[8]

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[6] The number of Buddhists in 1942 was added to that of Christians in 1954. The result may not be presenting a true picture of the numbers of these faithful, but only a rough approximation.

[7] China News Press, op. cit., p. 104.

[8] China Handbook 1954-55, Taipei, China Publishing Company, 1954, pp. 62-63.

797 There is a Catholic hospital in Kaohsiung and another in Lotung. Many of the missions give time to Bible classes, English classes, and kindergartens. The increase in the number of Catholic converts has been most remarkable. There were fewer than 10,000 Catholics in 1941, and the number had increased[9] to more than 34,000 in 1954. While many Protestant denominations have been established in the last ten years, the number of their adherents has increased relatively little -- about 70,000 in 1942, to slightly over 80,000 in 1954.

There seems to be no open conflict between the tolerant native religion and Christianity, nor any objection to the introduction and expansion of Christianity. It has been noted that some non-Christian families celebrate Christmas and many Christian families continue to celebrate traditional Chinese festivals.[10]

II. THE CHARACTER OF FOLK BELIEF

771 The Chinese have "concerned themselves less with the hereafter than with the proper

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[9] China News Press, op. cit., p. 103.

[10] A.F. Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954, p. 334.

conduct of affairs and attainment of happiness in the here and now."[11] Unlike the Hindus, the "Chinese are not a passionately religious people preoccupied with a spiritual quest." However, the daily life of the Formosan Chinese is tremendously influenced by religion, although they worship in order to resolve the problems of the here and now. Everything that is useful for living, no matter whether it is native or foreign, rational or naive, is generously absorbed and preserved. Naturally their system of religion has no rigid principles, they adhere to no single discipline of teaching and practice, and their idea of the godhead is not clearly defined.

The Formosan Chinese religion has been resolved, in the main, from the material needs of life. When the Chinese came to Formosa, they carried with them the image of Matsu, the patron goddess of navigation, and the images of other local gods as patrons and protectors. Sometimes they carried consecrated incense as a symbol of the gods. Before steam navigation, it was dangerous to cross the Formosa Strait.

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[11] "Religion in the Land of Confucius," Life, Vol. 38, No. 14, April 4, 1955, pp. 44-84.

771 After the Chinese arrived in Formosa, they were subject to epidemics, bandits, and raiding parties of aborigines. The patron gods were their only refuge.

Religion in those early days of settlement also had a social function. Immediately after a settlement was made, a temple was built. Intimate co-operation was absolutely necessacy in the new settlement, and shared beliefs gave a basis for mutual endeavor. The temple was their community center for discussions and decisions on public affairs. Once an argument had been settled in the presence of their gods, the agreement was binding and adherence was assured.

For the Formosan Chinese, everything that man cannot control is attributed to the work of supernatural force. This force governs every aspect of human life. All natural phenomena are deified, and ancestors, sages, virtuous women, and historical personalities are often given the status of gods. In heaven, there is the supreme god, the Jade Emperor. Under him, in successive ranks are the gods of heaven, of earth, and of water; the gods of the seasons, the god of the five elements (water, wood, earth, gold, and fire); the god of the thunder, of the lightning, of the wind, of the clouds, and of the rain; the gods of the mountains and the rivers -- and so on. Each branch of trade

771 has its god; there are patron gods for pharmacists, rice traders, carpenters, tailors, musicians, etc. There are household deities for the door, the well, and the hearth. For child-bearing and child-upbrining there are specific gods. There are gods of longevity and happiness. In short, there is a god to correspond to each and every human need. It is inevitable that beliefs as general as these result in superstitious practices.

775 The conception of a realm of the dead (Yin-chien) as contrasted with the world of the living (Yang-chien) includes a hell after death, judgment, reward, or punishment, and transmigration into another living form as punishment or entry into paradise as reward. It is generally believed that a person after his death will go to the realm of the dead where Ch'eng-huang-yeh [the Judicial God] will send him to Yen-lo-wang [the King of Hell]. The King will try each case with impartial care, sending those who have done good deeds to the Paradise of the West (the Buddhist Paradise) and give adequate punishment to those who have done evil. The seriousness of the offense determines whether the person is to be re-born as a new person or as a lower creature, say, a water buffalo or an insect. The punishments imposed are cruel, and those who have sinned may be boiled in oil, cut in half, or have their tongues

775 removed.[12]

After death, the souls of one's ancestors are believed to live in Yin-chien, where there prevails the same set of moral and economic values that govern the living. The descendants 769 are considered unfilial if they fail to worship their ancestors or do not consecrate periodic sacrifices to make the dead happy in Yin-chien.[13] The dead are considered a part of the family, determining the fortunes and misfortunes of their descendants in strict accordance with the amount of filial piety shown them. Some families build temples for the worship of their ancestors. Of the dead who have no offspring to worship them, most become lost souls wandering the universe as malevolent spirits and have such a strong influence on the living as to be assumed the cause of their misfortunes.

III. RELIGIOUS PRACTICES

793 Awe of the universe intermixed with Taoist sorcery results in one thousand and one strange practices among the less-educated people. Religious practitioners, mostly of the Taoist order, serve in the invocation of gods and spirits, communication with spirits,

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[12] Masuda, op. cit., pp. 54-60.

[13] Ibid., p. 63.

793 and the exorcism of malevolent spirits. At the time of births, deaths, sickness, the building of new houses, and other important family occasions, priests are invited to offer prayers and sacrifices and extended services appropriate for each case.

A. Prayers and Sacrifices

782 Gods and ancestors on the family altar are worshiped generally on the first and the fifteenth days of each month (lunar calendar). Usually candles are lit, incense consecrated, and symbolic "paper currency" is burned for use in the other world. In the minds of the faithful, each god has a personality. Earthly problems and difficulties are brought before gods for assistance, and conditional promises are given that certain sacrifices and donations will be offered if and when the prayers are answered. Sacrifices differ according to the hierarchal positions of the gods in the pantheon. A whole pig is sacrificed, among other food, to the Jade Emperor, to the God of Earth, of Heaven, and of Water, and to the Judicial God in celebration of their name days, on which gay, joyful, and carnival-like festivals are held. To the gods just described and the less important deities may be offered "three sacrifices," generally pork, fish, and chicken; to ancestors, cooked rice and other dishes.

782 Sacrifices and food offered once to a god may be again offered to gods of lower rank. All the sacrifices are eventually consumed by those who offer them because gods are thought to require only the essence of each sacrifice.[14]

Prayers may be offered by a priest (usually a Taoist), who is paid to ask the gods for the patient's quick recovery, a safe birth, the removal of distress supposedly caused by evil spirits, etc. Prayers commonly heard in temples are not offered in order to seek strength to live a holy life but to ask for practical and immediate benefits.

B. Communication with Spirits

787 Since souls are popularly believed to live in Yin-chien, communication is possible through the media of Taoist practitioners. When someone wishes to communicate with those who are dead, he may ask a medium, usually a devout woman of the faith, to go to a Taoist priest practicing spiritualism. Before the presence of a god, the priest places the medium in a trance. In the trance the medium meets the dead soul through the guidance of the god and is able to answer questions which

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[14] Masuda, op. cit., pp. 86-88.

787 the seeker wishes to ask. The questions may pertain to the circumstances in which the soul has left the Yang-chien, the conditions of life in Yin-chien, the causes of misfortune which now exist in the family, etc.[15]

Hung-i [a sorceress] also renders services as a medium to the spiritual world. She may ask the gods in heaven or spirits wandering in the universe to descend and dwell in her so that the inquirer may directly converse with the gods or spirits involved in a particular problem. One may ask the hung-i such questions as: "Where may medicine for the sick be obtained?" "Will the expected birth be easy or difficult?" "Where can lost treasure be found?" "Are the dead happy and how do they live in Yin-chien?" An interesting saying, "Your mouth is exactly like that of a hung-i." (meaning that you are as great a liar as a hung-i), is used in irony and suggests the combination of belief and distrust with which

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15. Seiichiro Suzuki, Taiwan kyukan - kankon sosai to nenchu gyoji [Traditional Customs of Taiwan - Coming-of-age, Marriage, Funeral, Ancestor Worship and Annual Events], Taihoku, Taiwan nichinichi shimposha, 1934, pp. 52-54.

787 the people of Formosa regard the practice of sorcery.[16]

C. Taboo

787 791 The belief that the world is full of spirits which control all aspects of life and every part of the universe has led to a system of taboo. A doubtful science called feng-shui (literally meaning "wind and water") is concerned with a study of the spirits dwelling in earth and mountains. The breaking of earth for the purpose of erecting a house, opening a mine, or digging a grave site at a certain time and on a certain date can begin only after a geomancer has assured the questioner that the spirits concerned will not be disturbed. For more or less the same reason, the date of a marriage or the time a funeral procession should begin is determined by a fortuneteller.

787 It should be made clear that these beliefs and practices are observed by a limited number of people among those who

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16. Keirai So, Taiwan shukyo to meishin roshu [Religion and Superstitious Practices in Taiwan], Taihoku, Taiwan shukyo kenkyukai, 1938, pp. 34-44.

787 adhere to the folk-religion. With the advance of science and Western education, the belief in communication with the spirits of the dead and the various forms of taboo will lose much of their force. However, their influence on the religious life of the people in Formosa still seems to remain far stronger than that of Christianity.

IV. GOVERNMENT POLICY TOWARD RELIGION

771 Since the establishment of the Republic of China, the government has assumed an attitude of "non-interference" toward religious practices. Confucianism, which is a system of ethnical principles rather than a religion, receives official support and encouragement in matters of education and propaganda. On the birth day of Confucius, heads of central and local governments become chief priests in worshiping and commemorating the great sage.

Of the greater number of government officials who have begun to observe Christian services, some may have done so, in part, because the wish for co-operation with the West, particularly with the United States, is growing. Church attendance, however, is by no means widespread.

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771 The wartime austerity campaign launched by the government has, to a certain extent, imposed measures against waste and extravagance during local festivals and other annual religious rites. However, these restrictions have had little effect on traditional religious practices, to which the people stubbornly cling for solace.

AD1

Annex "A," Subparagraph 11,
Sociological Background

PUBLIC INFORMATION

GOVERNMENT INFORMATION OFFICES

208 There are four principal government information offices on Formosa. The Government Information Bureau, under the Executive Yuan, releases official statements and expresses the views of the government on the topics of the day, for the director of the bureau is the official spokesman of the government. The Fourth Section of the Kuomintang holds regular press conferences and issues statements for the party. The information office of the Ministry of National Defense issues a daily bulletin on military development. The information department of the Taiwan Provincial Government reports on the progress of the work of the various departments of the provincial government.

NEWSPAPERS

204 There are twenty-seven registered newspapers on Formosa and one in the Pescadores. For reasons of economy, the number of newspapers as well as the number of pages of each newspaper are restricted by law. Although any existing newspaper may change its

204 ownership or alter its name, no new daily newspaper may be published. In the years when the Taiwan Pulp and Paper Corporation was run by the government, the paper used by the newspapers was apportioned by the government according to the circulation of each newspaper at a fixed price. When circulation grew, more paper was provided by the government, which paid the difference between the current price of paper over and above the fixed price. The Taiwan Pulp and Paper Corporation has now been transferred to private ownership. It announced its intention to discontinue the practice of supplying paper to the newspapers at the special price on March 1, 1956. In protest, the newspapers proposed to publish a daily consolidated issue on imported newsprint.

Of the 28 newspapers (editions of the same paper printed in or for different cities being counted as separate units), Taipei alone has 15; Keelung, 2; Taichung, 3; Chiayi, 2; Tainan, 1; Kaohsiung, 1, Taitung, 1; Hualin, 2 and the Pescadores, 1. Twenty-five are morning editions and three are evening editions. All of the evening newspapers are published in Taipei.

204 The total circulation[1] of Formosan newspapers, as reported by the Provincial Committee on Paper Rationing, averaged 336,706 copies per day in the year 1954. It is estimated that, in addition to the newspapers listed above, newspapers published elsewhere, mostly in Hong Kong, sell about 40,000 copies on the island. In view of the high literacy among the people, this rate of circulation (under 5 per cent of the total population) appears to be surprisingly low. The explanation may be found in the fact that a large number of the Formosan Chinese are unable to read Chinese. In an effort to suppress Chinese culture during Japanese occupation, only the Japanese language was taught in the Formosan schools and all of the newspapers were printed in the Japanese language. From March 1, 1937, even the practice of carrying a single column in Chinese was abandoned.[2] When the Chinese authorities returned, they were equally anxious

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[1] Ch'eng She-wo, "Pao Yeh" ["The Newspaper Business"], Chung-hua Nien-pao [China Annuals], Taipei, China News Press, 1954, Vol. II, p. 50.

[2] Andrew J. Grajdanzev, Formosa Today, New York, Institute of Pacific Relations, 1942, p. 170.

204 to eradicate the influence of Japan. On October 25, 1946, the Taiwan Provincial Government restricted the newspapers and magazines to the use of the Chinese language.[3] Because the majority of adults are unable to read the Chinese language, the circulation of newspapers and magazines is necessarily limited. It may be pointed out in this connection that for the benefit of those who cannot afford to buy a newspaper (newstand price, 70 NT cents, equivalent to US 4 cents, a copy), newspapers are posted in public places so that crowds may gather to read them.

The most important newspapers in Formosa are five in Chinese - the Central Daily News, New Life Daily, United Daily News, Chung-hua Daily News, Public Opinion, and one in English, the China Post.

1. Chung-yang Jih-pao [The Central Daily News] (daily circulation 67,170 in 1954, is the official organ of the Kuomintang. It expresses the view of the government and the

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[3] Chu Hsü-pai, "Tai-wan Hsin-wen Shih-yeh" ["Newspapers in Taiwan"], Hsin-sheng Ti T'ai-wan [Taiwan under a New Life], Taipei, Hsin-sheng pao, 1950, p. 81.

204 party. Originally established in Nanking in 1919, it was moved to Formosa in 1949.

2. Hsin-sheng Pao [New Life Daily] publishes two editions, one in Taipei, circulation 41,153; and another in Kaohsiung, circulation 21,095. It was the only newspaper called Taiwan Shimpo [Taiwan Daily] on Formosa during the last years of the Japanese rule and was handed over to the provincial government after Japan's surrender. It also operates a large printing press.

3. Lien-ho pao [United Daily News] also publishes two editions. The Taipei edition has a circulation of 33,463 and the Chiayi edition has a circulation of 11,930. It is the combined issue of three newspapers, the People's Daily News, the Min-tsu Pao [National Daily], and the Economic Times.

4. Chung-hua Jih-pao [Chung-hua Daily News] is another Kuomintang newspaper, established when Formosa was restored to China. Its southern edition, printed in Tainan, has a wider circulation, 23,836, than its northern edition-Taipei, 9,558.

5. Kung-lun Pao [Public Opinion] is published by the Young China Party and has a circulation of 4,550.

6. The China Post, an English-language daily, is independent and privately owned. Its daily circulation was 3,343 in 1954.

PERIODICIALS

There is no restriction on the publication of new periodicals. With a concentration of talented writers from the Mainland, the number of registered periodicals has grown[4] from 60 in August 1950 to 266 in June 1954. These periodicals cover a wide range of subjects, including anthropology, world affairs, meteorology, agriculture, religion, and even comics for children. Many are of value in the study of Formosa's economy and culture.

PRESS LAW AND CENSORSHIP

Article XI of the Constitution of the Republic of China, promulgated on January 1, 1947, guarantees freedom of the press. The

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[4] Taiwan Sheng Cheng-fu Hsin-wen Ch'u [The Information Bureau of Taiwan Provincial Government], T'ai-wan Hsin-chih [A New Account of Taiwan], Taipei, 1950, p. 37.

204 Press Law, enacted by the Legislative Yuan in 1954, stipulates that a publisher is liable to punishment should his paper be found to incite treason, disturb the public order, or "commit acts of moral turpitude." There is no censorship of any kind before a newspaper or a magazine is printed, but all printed matter is checked by security officers after publication.[5]

In 1954, on the ground that the provisions of the Press Law had been contravened, the publication of five magazines was suspended for ten months, two other magazines were suspended for six months, and three were suspended for three months. In November 1954, the Chinese Government formulated a set of regulations with a view to tightening the control over the press, but they were hastily withdrawn because of the strong opposition manifested by the press association and the legislature.

NEWS AGENCIES

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207 1. There are twenty-seven news agencies on Formosa. By far the largest and the oldest is the Central News Agency. It was

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[5] The China Handbook 1954-55, Taipei China Publishing Co., 1954, p. 188.

204 established by the Kuomintang in 1924 and
207 maintained a nationwide radio network before the Mainland was overrun by the Communists. In 1948 the Central News Agency was transferred to the control of the government and its head office was moved to Formosa in 1949. Now it has ten overseas offices, and it broadcasts news both in Chinese and in English several times a day.

204 2. The China Union Press, another government news agency, is engaged in the collection of news from the Mainland.

3. The China News and Publication Service is a privately owned news agency which supplies to local newspapers the dispatches of foreign news agencies translated into the local vernaculars. It also publishes a daily paper in the English language, the China News.

4. The Pan-Asia Newspaper Alliance is an international news agency, serving newspapers in twelve Asian countries.

5. The Cheng Hsin News Agency [Industrial News Agency] specializes in financial and commercial news.

PUBLISHING FIRMS

214 A large number of Chinese scholars took refuge in Formosa after the loss of the Mainland, and as a result an abundance of literary and scientific works has made its appearance in the past five years. However, because of the limited number of readers, the new publications generally are not remunerative. They are shunned by commercial publishers, such as the Commercial Press, the Chuang Hua Book Company, and the World Book Company, which restrict their business on Formosa to the publication of textbooks for schools.

The publishing of new books usually is undertaken by publishing houses supported either by the government or by the Kuomintang. The China Cultural Service since its inception in October 1950 has published an average of one new book a day, the bulk of which is anti-Communist literature. On the other hand, the China Culture Publishing Foundation, established in April 1952, is devoted to the publication of scholarly works. Both organizations included among their new publications in 1953 and 1954 a number of informative pamphlets in the English language. The Cheng Chung Book Company is another publisher financed by the Kuomintang. It has compiled the first series of one hundred volumes

214 on the fundamentals of modern sciences and is preparing to publish a second series. The China News and Publication Service is a privately owned concern. Among its notable publications are the *Chung-hua Nien-pao* [*The China Annuals*], the *China News,* an English daily, and the *Ch'ing-pao Yüeh-k'an* [*Intelligence Monthly*].

According to the statistics of the Provincial Government, there are 239 printing concerns in the Printers' Union on Formosa. The largest are the Hsing-t'ai Printing Company and the China Engraving and Printing Works, both located in Taipei.

BROADCASTING

207 There are twenty-nine broadcasting stations on Formosa. Eleven are located in Taipei, three each in Taichung and Kaohsiung, two in Chiayi, and the rest scattered in other cities of the island.

The most powerful broadcasting stations are the China Broadcasting Corporation, the Taiwan Broadcasting Station, the Army Broadcasting Station, the Air Force Broadcasting Station, and the Cheng-i Broadcasting Station. Each of these makes daily broadcasts to the Mainland. "The Voice of Free China" broadcasts in eleven languages ten and a half hours a day, to the countries of Southeast

Asia and to the United States, and is directed primarily toward the overseas Chinese and the Chinese newspapers.

In 1954, according to a survey conducted by The China News Press,[6] 37 per cent of the radio programs were educational and 50.7 per cent were classified as entertainment.

Among the five new radio stations established in 1954 one is planned for the Formosan farmer, and another presents special programs for the entertainment of the American forces stationed in Formosa.

There is no television on Formosa. All radio receivers, as a war measure, must be registered with the local telegraph office and owners are required to pay a license fee of NT$10 (US 70 cents) every three months.[7] But it is unlikely that the law is strictly enforced. The actual number of radio receivers in use is not known.

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[6] Chung-hua "Broadcasting" in Chung-hua Nien-pao [China Annuals], Taipei, China News Press, Vol. II, February 1955, p. 91.

[7] Regulations governing the Registration of Radio Receivers, promulgated by the Ministry of Communications, No. 8593, April 5, 1948; and Regulations Pertaining to License of Radio Receivers, promulgated by the Executive Yuan, No. 3282, June 22, 1951.

207 The China Broadcasting Company, which manufactures inexpensive radio receivers from parts imported from Japan, estimates that the number of radios in Formosa is under 300,000. The reason for the small number of radios is twofold: the poverty of the people and the uneven distribution of electric power in rural areas. In a survey made in 1952 by the Joint Commission on Rural Reconstruction, it was found that the farmers could not afford to purchase radios costing over NT$150 (US$10), while only 25 per cent of the 800,000 farm families have electricity in their homes.[8] However, the value of radio as an educational medium is fully recognized. There have been various proposals to encourage the farm families and the people of moderate means to own radios. In 1954, the Joint Commission on Rural Reconstruction distributed 5,000 receiving sets to farmers.

MOTION PICTURES

546 Motion pictures constitute the greatest diversion for the populace on Formosa. On

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8. Chinese-American Economic Co-operation, Taipei, U. S. Mutual Security Agency Mission to China, Vol. 1, No. 7, July 1952, pp. 46-51.

546 a day selected at random, fifty theaters were advertised in the Taipei Central Daily News.[9] There were twelve theaters in Taipei alone, of which one was showing a Chinese motion picture produced in Hong Kong, two were showing Japanese pictures, and the rest were showing American films. Among the educated class, American pictures are popular, but with the masses, as a result of the language difficulty, Japanese pictures are preferred. In 1954 motion pictures accounted for a remittance total from abroad amounting to \$1,500,000 in American currency.[10]

There are three local motion picture studios. The China Motion Picture Company produces pictures for the armed forces, and the Taiwan Motion Picture Company is operated by the Information Department of the Provincial Government. Both of these studios are devoted to the making of newsreels and documentary films. The third company, The Central Motion Picture Company, produces a few features for local consumption as well as for showing in places where there is a

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[9] The Central Daily News, Taipei, August 27, 1955.

[10] China Annual, 1954, p. 93.

546 large Chinese colony. The information office of the Mutual Security Mission to China surveyed in 1952 the number of movie projectors in rural areas.[11] It was found that 212 primary schools, 23 middle (or secondary) schools, and 64 Farmers' Associations owned movie projectors. Most of these are designed to project 16 mm. silent films. It should be noted that, of those reported, 121 projectors are but rarely or never used.

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546 A majority of the people on Formosa live in rural areas where transportation facilities are poor and accessibility to public information is difficult. In view of the limited circulation of the newspapers and the small number of radio receivers owned by the villagers, greater use could be made of lantern slides and short films as media of public information. The Joint Commission on Rural Reconstruction made a few documentary and educational films in 1953 and 1954. It reports: "These films, which are shown free to the farmers throughout the island, constitute one of the most effective means of rural publicity and one of the most popular information services of the JCRR."[12]

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11. Chinese American Economic Cooperation, Vol. I, No. 7, Taipei, July 1952, pp. 51-52.

12. JCRR General Report IV, Taipei, 1954, p. 196.

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208 Another useful medium of publicity is the
546 pictorial poster, which may be distributed by mail or by carriers. It is found that the rural people welcome these posters and use them to decorate the interior of their homes. Hence the posters possess more permanent propaganda value than either the newspapers or radio broadcasts.

AD1

Annex "A," Subparagraph lm,
Sociological Background

LABOR

I. MAIN CHARACTERISTICS OF LABOR

162 Composition of the Working Population. Owing to efforts to accelerate industrial development during the latter years of Japanese occupation, the proportion of agricultural workers to the total working population in Formosa gradually declined. From 1915 to 1940, the proportion of farmers in relations to the total working force decreased from 70.1 per cent to 62.4 per cent.[1] Since the restoration of the island to China, special emphasis has been placed on intensive industrialization by the government with the co-operation of the American Mutual Security Mission to China. This development has inevitably led to increasing activities in manufacturing, construction, etc., resulting in a gradual decrease in the agricultural population.

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[1] Provincial Government of Taiwan, Statistical Summary of Taiwan Province for the Past Fifty-one Years, Taipei, 1946, pp. 139-38; and Results of the Seventh Population Census of Taiwan, Taipei, 1953, pp. 68-69.

464 **Employment Situation.** The population density of Formosa is the second highest in the world. In 1951 there were 667 persons to one square mile of land.[2] Because of limited economic resources and overpopulation, partial and under-employment are more prevalent than complete unemployment. Manpower appears to be rather poorly distributed, with the result that the rate of under-employment in some cases is unusually high. This is particularly true among civil service personnel and employees of various government-owned enterprises. Industrialization, though at a rapid pace, has not given rise to technological unemployment. Under the inflationary conditions generated in the economy, the number of workers has increased. As reported in the Yearbook of Labor Statistics 1953, the employment index in manufacturing rose from 100 in 1948 to 178.8 in 1952.[3]

465 **Working Hours and Wages.** The law provides that the regular work week consists of an eight-hour day, six days a week.

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[2] Mutual Security Agency Mission to China, Chinese-American Economic Cooperation, Taipei, Vol. 1, No. 5, May 1952, p. 44. The population was estimated at 9.2 million.

[3] International Labor Office.

465 Overtime is paid at time and a half. National holidays are observed.[4] Actual practice, however, diverges from the above provisions in some cases. National holidays are only generally observed. In government agencies and enterprises, banks, schools, and other public institutions the eight-hour-day principle stands. However, in most mines and factories 10 hours or more a day and 6.5 to 7 days a week are usually the rule.[5] Low wages force employees to work long hours.

Wage payments include money wages, payment in kind, and in most cases free housing. However, the level of wages is low, and workers' receipts are generally inadequate to meet their necessary expenditures. A survey made by the FOA Mutual Security Mission revealed recently that nearly half of the workers in a coal mine were in debt, and 48 per cent of the money borrowed was spent on food.[6]

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527 [4] National holidays include: January 1, Founding of the Republic of China; March 29, Martyr's Day and Youth Day; August 27, Birth Day of Confucius; October 10, "Double Tenth"--National Day; and November 12, Dr. Sun Yat-sen's Birthday.

000 [5] China News Press, Chung-hua Nien-pao, 1953 [China Annual, 1953], Taipei, 1954, Vol. II, p. 115.

[6] FOA Mutual Security Mission to China, Project Evaluation Office, unpublished pamphlets based on 1954 survey.

467 Labor Organizations. Labor organizations include trade unions, farmers' associations, and fishermen's associations. Trade unions are weak and cannot be called unions in the real sense of the term, because the law does not provide for effective collective bargaining and also prohibits strikes, shut-downs, and walkouts of any kind during the present emergency period. The trade unions are organized under government supervision and tend to be used for carrying out government policies with respect to the workers. However, the educational and welfare activities performed by the unions should not be overlooked.

461 The Outlook of the Workers. Most of the farmers, as a result of the recent land reform, have become owner-cultivators and are looking forward to owning their own houses, sending their children to school, and enjoying better living conditions. On the other hand, because of limited employment opportunities and low wage levels, the non-agricultural laborers do not appear to face a very promising future.

464 The Future Labor Force. In 1950, the entire male labor force was estimated at 2.1 million. George Barclay states that the male labor force 25 years from now (1980) could amount to about 4 million, assuming that the

464 natural rate of increase and emigration remain the same.[7] Since agricultural employment, which was about 1.2 million in 1950, is assumed to remain constant because of limited arable land, the number of jobs for male non-agricultural workers will have to be tripled by 1980, just to provide enough employment, to say nothing of an improved standard of living.[8]

II. FARM LABOR

241 Size of Farm Households and Labor Force. In 1952, the total rural population of Formosa amounted to 4.3 million, or about 680,000 farm households. The average size of a farm household at that time was 6.3 persons.[9] An accurage estimate of the size of farm labor is extremely difficult because women as well as children also take part in farming. Women also work in the field and dry harvested rice. Children may deliver food to the field where adult family members work. Farming in Formosa is a household responsibility, and a clear-cut

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7. A Report on Taiwan's Population, Princeton, Princeton University Press, 1954, pp. 53-55.

8. The constant number of farmers at 1.2 million for the period 1950-80 is only an assumption. In 1954, the total number of farmers was reported to be 1.8 million.

9. Taiwan Provincial Government, Taiwan Agricultural Yearbook, 1953, Taipei, 1953, pp. 36-37.

demarcation of duties or types of work is rather difficult. According to a survey made by the Joint Commission on Rural Reconstruction (JCRR), on the basis of 4,000 sample families, in 1952 there were 8.14 persons to each farm household, and the actual working force of each household was 3.21 man-equivalents.[10] If this relation was applied to the whole farm population pro rata,[11] the actual working force on

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[10] Y.C. Tsui and S. C. Hsieh, Economic Digest Series No. 4: Farm Income of Taiwan in 1952, Taipei, JCRR, 1954, pp. 12-13. One man-equivalent equals a full-time farm laborer between the ages of 16 and 60.

[11] Rigid application of this ratio to the total farm population may be open to criticism in regard to the age composition of all farmers and their families and their sex distribution. Moreover, the survey represents only one year (1952) and certainly cannot be interpreted as representing the general trends. However, in the absence of a complete survey or more satisfactory sampling, the rough approximation obtained by the following means would work for our purpose here:

Average man-equivalent per family (3.21): Average persons per family (8.14) = X (Total man-equivalent): Average number of persons per family for the whole island, and X multiplied by total number of all farm families.

241 Formosan farms in 1952 would reach 1.7 million man-equivalents.[12]

241 Size and Mobility of Surplus Farm Labor.
464 In Formosa there are two, three, and, in some cases, as many as four harvests per year. Therefore the frequency of planting and harvesting is high. The supply of family labor is usually constant. It is true that where there are extra young workers in the family, they often are attracted to the cities in quest of employment or to road construction, water conservation work, etc.; however, strong family ties usually cause them to return if city employment fails to materialize or when temporary construction jobs terminate. The high frequency of planting and harvesting accounts for the absence of prolonged periods of seasonal slack in farm work in spite of the constant supply of family labor.

Formosan farm labor in general is not mobile. Under the current laws regulating the lease of farms, the tenants, by virtue of their contracts with the land owners, have

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[12] This figure comes close to the total agricultural workers of 1.8 million in September 1954 as reported in Taiwan: Land of Opportunity, Economic Stabilization Board, Republic of China. However, the latter estimate did not disclose how the figure was reached.

241 the right to cultivate the land for six years.[13]
464 This arrangement gives the farmers a feeling of security and tends naturally to tie them down to the land. As a result of the land reform, 76 per cent of the farmers are now owner-cultivators,[14] whose land ownership results in low mobility. However, it should be noted that all surplus farm labor can be made available for other employment, permanent or temporary.

As seen in the following table, the per chia farm population increased from 3.0 persons in 1929, to 4.3 persons in 1949, and 4.7 persons in 1952.[15] As of 1952, the size of surplus labor on the farms may be estimated at 68,000 man-equivalents.[16] This labor force is a surplus in the sense that the available manpower exceeds the actual need.

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[13] Article V, Regulations Governing the 37.5 per cent Land Rental, promulgated on June 7, 1951.

[14] United Nations, Department of Economic and Social Affairs, Economic Survey of Asia and the Far East 1954, Bangkok, 1955, p. 88.

[15] The increase is principally through natural increase of the farm population.

[16] The estimate is based on the JCRR survey Farm Income of Taiwan in 1952. The provincial average of 270 days requiring 3.21 man-equivalents applies to the production of all crops. Supposing that each farmer can work (continued next page)

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16. (continued) 310 days per year (less Sundays and holidays), each 3.21 man-equivalents will have done 40 days of work in addition to the 270 days required for farming. When this extra working manpower is multiplied by the existing farm labor force -- 1.7 million -- it will result in a farm surplus labor force of 68,000 man-equivalents. This is a conservative estimate because some farm families put in more than 400 working days a year in several regions and because farmers seldom take holidays other than national ones.

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45:Stanford U, S-4, 5 1956 AD1 Formosa
AD1

AREA OF CULTIVATED LAND AND FARM POPULATION*

Year	Farm Population (Thousands)	Cultivated Area (chia)	Population (per chia)
1929	2,489	830,010	3.0
1939	2,925	[illegible] 225	3.3
1949	3,880	891,675	4.3
1950	3,998	897,522	4.3
1951	4,161	900,961	4.6
1952	4,257	903,369	4.7

* Figures for 1929 and 1939 from Taiwan keizai nenpo 1941 [Taiwan Economic Annual], Kokusai nippon kyokai [International Association of Japan], The rest from Taiwan Agricultural Yearbook, 1953. Persons per chia calculated.

241 *The Farmers' Outlook.* Since the Restoration, the land reform program has been carried out and farmers are enjoying a greater sense of freedom and individual initiative. However, the farmers are inclined to compare the current situation with conditions under the Japanese with regard to farm receipts, living conditions, political freedom, etc. In the eyes of the farmers, the Nationalist Government's success in its administration of Formosa has depended upon and will continue to depend upon how favorably its accomplishments will compare with those of the Japanese.

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435 It is reported that a large disparity exists between the prices received for farm products and the prices paid for supplies used on the farm. To illustrate this point, the per *chia* farm receipts from all sources amounted to NT $9,700 in 1952,[17] while the per *chia* expenditures (for production purposes) were NT $5,400. Thus, the net earnings amount to NT $4,300 per *chia*, which constituted the support of 4.7 persons, the latter being the average farm population per cultivated *chia*.

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208 When asked in a JCRR survey in 1952

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[17] New Taiwan Dollars. The prevailing rate of exchange during the year was NT $15.65 to US $1.

whether current conditions were better than those in 1937, 35 per cent of the 1,176 farmers answered in the affirmative, while 43 per cent answered in the negative, with 16 per cent indicating that conditions were about the same.[18] Among the main reasons given for the affirmative answers were land reform, more political freedom, and larger supply of household goods. Negative answers were attributed to an increase in farm population and high prices in general in comparison with the prices of farm products. However, the general outlook was hopeful among the farmers surveyed. Many of them expected to own their houses and land. Nearly 50 per cent of the heads of households stated that conditions would probably be better during the next ten years. This optimistic conviction was apparently based on the assumption that the land reform program would be carried out as planned, that peace would prevail, that prices would become lower, that more factories would be established, and that the surplus population could go back to the Mainland after the latter's liberation from communism

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[18] A. F. Raper, Rural Taiwan -- Problems and Promise, Taipei, JCRR, 1953, p. 282. The remaining 6 per cent made no answer.

III. INDUSTRIAL LABOR

464 *The Labor Force.* The Economic Stabilization Board estimates that the current industrial labor force engaged in all types of manufacturing and mining is in the neighborhood of 0.3 millions.[19] It is reported that nearly 20 per cent of the workers are women; one per cent, child workers.[20] The same report states that in 1951 the average age of male workers in public enterprises was 31 and that of female workers 24. If all the government enterprises were considered, 25 per cent were within the age bracket of 21 to 25 years.[21]

463 *Composition of the Labor Force.* Industrial workers are heavily concentrated in the Taipei, Tainan, and Kaohsiung areas on account of the existence of coal mines and textile factories in the north and of chemical and machinery manufacturing factories in the south. The distribution of workers according to the county (*hsien*) follows:

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[19] *Ibid.*, p. 33.

[20] Free China Labor League, *T'ai-wan Lao-kung Yün-tung Kai-k'uang [General Condition of the Labor Movement in Taiwan]*, Taipei, 1952, pp. 7-8.

[21] *Ibid.*

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NUMBER OF PERSONS ENGAGED IN MANUFACTURING AND MINING AS OF DECEMBER 1951 IN FORMOSA*

Hsien	Manufacturing	Mining
Taipei (incl. Yangmingshan Adm)	67,963	40,686
Yi-lan	5,449	-
Tao-yuan	5,800	941
Hsin-chu	8,382	2,363
Miao-li	8,797	4,465
Tai-chung	17,880	66
Nan-tou	3,148	-
Chang-hua	8,909	-
Yun-lin	6,568	-
Chia-yi	11,743	-
Tai-nan	24,027	256
Kaohsiung	28,109	-
Tai-tung	2,615	-
Hua-lien	1,117	39
Peng-hu (Pescadores)	1,343	-
Total	206,740	49,756

45:Stanford U. S-4, 5 1956 AD1 Formosa
AD2

* Taiwan Provincial Government, The Structure of the Taiwan Economy, Taipei, 1953.

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45:Stanford U. S-4, 5 1956 ADI Formosa
AD2

463 In terms of industrial divisions, workers in the food-processing industry constituted in 1951 about 30 per cent of the total number of workers. The following table shows the distribution of workers by industries and by sex:

NUMBER OF EMPLOYEES (BY INDUSTRY AND SEX) IN GOVERNMENT ENTERPRISES*

Industry	(March 1, 1952) Total	Male	Female	(December 31, 1951) Total	Male	Female
Textile	7,816	2,399	5,417	28,873	8,409	20,464
Metal	3,259	3,050	209	3,626	3,257	351
Machine & Tools	7,440	7,095	345	7,121	6,753	368
Kiln	4,843	3,930	913	10,390	7,482	2,908
Chemical	17,881	14,465	3,416	9,440	6,558	2,882
Wooden#	6,596	6,158	438	4,377	3,934	443
Printing	2,014	1,472	542	1,889	1,625	264
Food Processing	29,519	25,741	3,838	20,067	15,493	4,574
Gas & Electricity	5,019	4,810	209	-	-	-
Others	252	157	95	3,393	1,484	1,909
Total	84,699	69,277	15,422	89,176	55,013	34,158

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45:Stanford U. S-4, 5 1956 AD1 Formosa
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* Taiwan Provincial Government, Department of Reconstruction as quoted by L. R. Smith and W. R. Etter, Labor in Taiwan, Taipei, MSA/MC, 1953.

This term is used in the original source and presumably includes logging and lumber workers.

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463 According to a 1952 survey of 17 urban areas, industrial and government employees and mining workers accounted for 45 per cent of all gainfully employed workers over 12 years of age. However, for the province as a whole the ratio was only 18 per cent. The breakdown of occupation distribution is shown below:

PERCENTAGE OCCUPATIONAL DISTRIBUTION OF WORKERS*

Occupation	Whole Province	Seventeen Cities and Towns
Total	100	100
Industry	8	21
Commerce	9	21
Government employees	4	12
Transportation and Communications	2	7
Professionals	2	5
Mining	1	3
Agriculture	62	20
Domestic service	8	8
Others	3	3

* A. F. Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954.

463 **Marginal Self-employment:** Due to the over-supply of labor in urban areas, many people have created employment for themselves by engaging in the so-called "marginal self-employment." It is "marginal" in the sense that the manpower is utilized less than its full and productive use. In the capital city of Taipei, 34,500 heads of households, supporting over one-fifth of the city's population, were engaged in the following types of employment in 1953:

NUMBER OF SELF-EMPLOYED PERSONS IN TAIPEI, 1953*

Occupations	Number
Small shopkeepers and peddlers	20,000
Pedicab operators	9,000
Freight-cart pullers	2,500
Household Industries	2,000
Ox-cart drivers	350
Truck-hoppers	250
Others	250
Total	34,350

* A. F. Raper and others, op. cit.

Small retailers and peddlers have increased in recent years. The majority of small retailers

463 sell towels, shirts, soap, food, etc., at roadside stands. Household industries such as cake baking, handicrafts, etc., are also very common. Truck-hopping is an entirely new occupation in Formosa. The truck-hoppers are young and husky persons who hop on the moving trucks and start bargaining for unloading jobs as soon as the trucks reach their places of unloading.

IV. WAGE LEVELS AND WORKING CONDITIONS

465 434 The Wage Level. Government statistics shows improvement of the wage level in recent years. During the years 1949-52, the index of wages and salaries rose faster than the retail price index:

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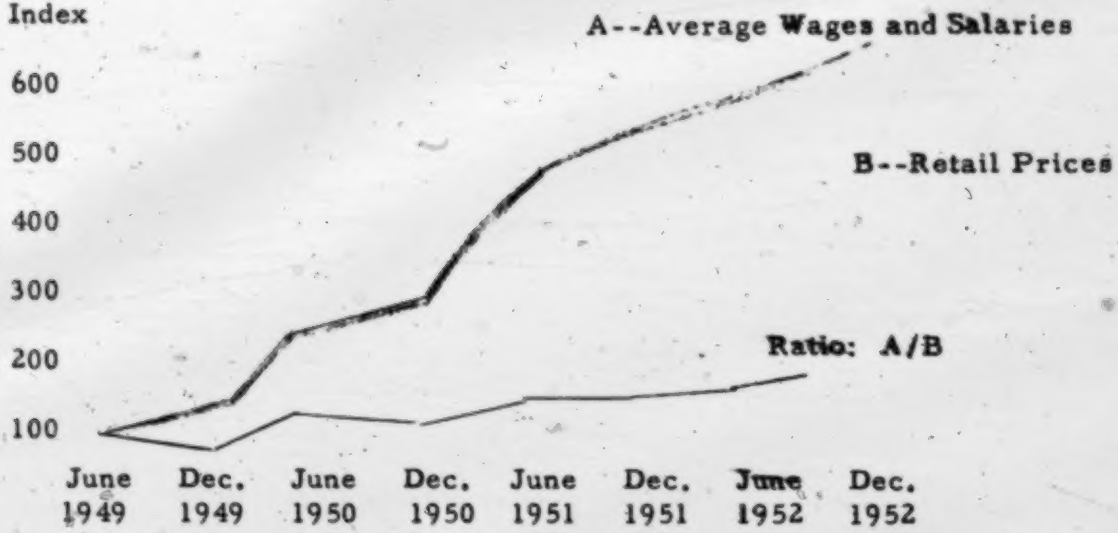
Trend of Wages and Retail Prices --1949-52
Indexes (June 1949 = 100)



Source: Plotted from Appendix II, The Structure of the Taiwan Economy by Taiwan Provincial Government

45:Stanford U. S-4, 5 1956 ADI Formosa
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465 The average income of 1,383 sample
434 households in the month of June 1953 in urban areas was estimated at NT $585,[22] while that of the average laborer's household was estimated at NT $400. The estimated average gross income in 1952 and 1953 for the households surveyed may be seen in the following table:

YEARLY GROSS INCOME OF 1,383 HOUSEHOLDS (in NT $)

	1952	1953
Total Average	5,684	7,722
Employers	27,252	27,271
Self-employed	6,482	9,206
Laborers	3,826	5,148
Professionals	6,974	11,208
Civil Servants	4,203	9,174
All Others	5,481	7,128

* A. F. Raper and others, *op. cit.*

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[22] A. F. Raper and others, *op. cit.*; this amount is a little less than US $40 at the foreign exchange rate of NT $15.65 to US $1.

465 434 Roughly 85 per cent of the gross receipts of the laborers and self-employed are in cash, and 15 per cent in other allowances and payment in kind. For the civil servants, only about one-half is in cash. Payment in kind consists of rice, edible oil, salt, and charcoal. For instance, there is a monthly allowance of 66 pounds of rice to each laborer and each adult family member living with him, as well as one-half of that amount to each child under 10 years of age. The total rice allowance for each labor household, however, is restricted to 224 pounds per month.

511 The relatively low standard of living of the laborers is reflected by the pattern of household expenditures, of which food expenditure comprises the major portion. A breakdown of expenditures in 1952 for the 1,383 households surveyed is shown in the table below:

466 HOURS OF WORK PER DAY IN 45 FACTORIES AND MINES, JUNE 1951*

Daily Working hours	8	9	10	12
Percentage of factories and mines	13	4	16	12
Percentage of factories and mines	29	8.8	35.6	26.6

* Free China Labor League, op. cit., p. 10.

The league also reported that the average number of working days per month for all industries in Formosa was 28.3 for male laborers and 25.8 for female laborers. For male workers, those in the ceramic industry worked the longest hours, 29.6 days a month, while those in the food industry worked only 20.5 days.

465 Wage Scale. Aside from miners, textile workers in Formosa are apparently the highest paid of all the factory workers, followed by workers in the printing and machinery industries. The monthly income of workers in selected industries is shown below:

MONTHLY INCOME OF WORKERS IN SELECTED INDUSTRIES IN 1952*

Industry	Number of working days	Average daily wages (NT $)	Average monthly income (NT $)
Metal	24.9	11.96	298
Machinery	28.5	13.90	396
Chemical	28.0	10.33	289
Ceramics	29.6	12.23	361
Textile	28.7	14.74	422
Food	20.5	14.45	296
Printing	25.1	15.90	400

* Working days of laborers from Free China Labor League, *op. cit.*, and average daily wages from *Yearbook of Labor Statistics 1953* by International Labor Office; average of January-October 1952 only.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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208 The Industrial Workers' Outlook. The outlook of industrial workers is determined by the low wages, high prices, and pressure of population on the employment situation. From surveys made by the FOA among coal miners (120 households) at Hsu-ti, dock workers (450 households) in Keelung, salt workers at Putai (132 households), and fishermen (105 households) at Kaohsiung, Suao, and Tainan during 1954, it was learned that a high percentage of workers felt that current conditions were worse than in 1937. The following tabular presentation of the survey results may be examined:

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CONSENSUS OF OPINION ON CONDITIONS IN 1954 COMPARED TO CONDITIONS IN 1937*

(in per cent)

	Better	Worse	About the same	No Answer	
Coal Miners (120 households)	12	29	32	27	100
Dock workers (450 householders)	8	32	30	30	100
Salt workers (132 households)	11	52	28	5	100
Fishermen (105 households)	34	34	29	3	100

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* Compiled from Foreign Operations Administration, Mutual Security Mission to China, unpublished pamphlets.

Reasons such as higher price levels, low real wages, and unemployment were given by those who thought that the situation had deteriorated. For the "better" answers, more freedom and more United States aid were mentioned as reasons.[25]

When asked whether in their opinion conditions in the next ten years were like to be better or worse, more than three-fourths of the coal miners thought the situation would be about the same, while 14 per cent indicated that it would be worse. To the same question, 26 per cent of the dock workers answered "better" and two per cent, "worse," while 67 per cent gave no answer. Twenty-one per cent of the Pu tai salt workers said "worse," and 16 per cent "better"; and 62 per cent gave no answer.

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25. It may be noted that the workers interviewed may have said "better" with the expectation of receiving increased United States aid. Likewise, they may have said "worse" with the hope that current conditions may be improved. These answers are by no means conclusive. Many of the workers of 1954 were probably very young in 1937, and it is difficult to say whether they would recollect correctly after a lapse of seventeen years, a long war, and the change of government.

463 The reason for the "worse" answers
208 were found to be overpopulation, more competition, more unemployment, and low income. More United States aid, possible reconquest of the Mainland, and more employment were given as reasons why conditions might improve.

V. LABOR ORGANIZATIONS

467 The Limited Role of Trade Unions. Although Article 5 of the Labor Union Law (revised) of January 7, 1949, states: "The functions of a labor union are as follows: (A) to conclude, revise, or abolish any agreement or contract on behalf of the members...," the trade unions in Formosa function principally as a medium of political education and undertake limited welfare activities on behalf of their members.

During the Japanese occupation unionization was banned by the Government-General. At that time most of the workers were not sufficiently educated or aggressive enough to form unions. Despite the National Government's attempts to encourage unionization, in view of the existing emergency conditions, trade unions are not permitted to exercise their bargaining power. The government has undertaken to train union officials. At the same time, government promotional and

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467 supervisory personnel and labor-relations specialists are sent to the unions. Consequently, trade unions tend to be used for carrying out government policies among the workers.

The Organizational System. The administrative hierarchy of trade unions in Formosa consists of the Chinese Federation of Labor at the national level, the Taiwan Federation of Labor at the provincial level, and hsien federations and city general labor unions. As basic level units, there are the city and hsien locals, which make up the city general labor unions and hsien federations respectively. The locals are classified into industrial unions, occupational unions, and special unions. At the beginning of 1943, there were 288 occupational locals and 57 industrial locals in the whole province.[26] As of 1953, occupational unions included 58 trades, such as printing, trucking, painting, baking, pedicab operators, mechanics, dockworkers, canning, electricity, barbers, tea-processing, etc. The membership of industrial unions primarily comprises workers,

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[26] China News Press, T'ai-wan Ching-chi Nien-pao, 1953 [Annual of Taiwan's Economy, 1953], Taipei, 1953, p. 174.

467 from large factories and mines. Special unions include railroad workers, postal workers, and salt miners; each of these has a federation at the provincial level in addition to the locals.

The Fishermen's Association and Farmers' Association are independent of the federation systems. The former has been instrumental in co-operating with the provincial government and United States aid agencies in making low-interest loans to fishermen and loans of fishing boats, rationing of cloth and rice, establishing medical stations, improving fish markets, etc.

VI. LABOR RELATIONS

466 Paternalism: Paternalism, in the Oriental sense of the word, concedes full authority to the head of the family and exacts complete loyalty and obedience from family members. In Formosa, the owner or manager of a plant is referred to as "Lao Pan" -- meaning, the owner. Lao Pan is also the term used for "master" or "ship's master," and it carries the connotation of complete domination not only over the use of fixed property but also over the person or persons employed on the premises. The lives and working conditions of the workers are largely, if not completely, dependent upon the whims of the master.

466 Some employers have strongly opposed unionization because in their opinion their own beneficence outweighs any advantages that may be offered by union membership. Any grievances which the workers may have must be handled with extreme care and diplomacy on the part of the workers, or else be interpreted by the employer as a display of disrespect or disloyalty.

467 Labor Welfare Measures. Each of the city general labor unions and hsien federations has a "Labor Welfare Committee" with the function of improving living conditions and mitigating the hardship imposed by the low wages. For instance, there is a "Labor Clinic" in the Keelung City General Labor Union and the Hsien Federations of Labor of Taichung, Hsinchu, Yilan, Chiayi, and Taoyuan.[27] Also, union stores which sell daily necessities to the members at a lower price are very popular. Various enterprises and employers also undertake to provide recreation and medical facilities, daily necessities at a lower price, mutual aid funds, etc. As an example, a government-owned cigarette manufacturing factory has a clinic of its own, and provides welfare facilities such as a day-nursery, a laundry shop, cold drink stands, a barber shop, public baths, etc.

The income of the trade unions, derived mainly from membership fees, has been limited

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[27] Ibid.

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467 because of the low income of the workers. For this reason welfare work carried out by the unions has not been able to meet the workers' needs. Although some government-owned enterprises provide satisfactory welfare facilities, generally speaking, most employers lack the financial means to make satisfactory provisions.

Annex "A," Subparagraph lp,
Sociological Background

HEALTH AND SANITATION IN FORMOSA

I. FOOD AND HOUSING

A. Diet and Food Supplies

146 262 The main diet of the Formosan people consists of rice and vegetables. A moderately active male adult generally consumes one catty (600 grams of 1.321 lbs.) of rice a day, the amount comprising over 75 per cent of his daily requirements of 24,000 to 28,000 calories.[1] A survey conducted by the National Defense Medical College showed that rice supplied 82 per cent and vegetables 7.5 per cent of a soldier's daily caloric requirement, and rice alone provided 64.5 per cent of his protein need.[2] The proportionate nutrient value of food consumed by civilians is probably quite similar. Some poor families, unable to afford rice, rely wholly or in part on sweet potatoes as their staple food. To a considerable extent, rice is supplemented with flour by a part of the immigrant population from the Mainland. Rice, sweet potatoes, tea, sugar, fruit,

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[1] The caloric content of rice is calculated on the basis of 350 calories per 100 grams of rice.

[2] S.C. Hsu, "Nutritional Study of Processed Soybeans," Chinese American Economic Cooperation, Taipei, June 1952, pp. 56-59.

146 and vegetables are produced in plentiful supply on Formosa. The diet of the people generally is 262 considered adequate in proteins, minerals, and vitamins, except B2, but the protein is poor in quality, only about 10 per cent of it being derived from animal sources. Fish furnishes about 50 per cent of all animal protein consumed on the island;[3] other principal sources are pork and poultry. Dairy products have a low place in the dietary habits of the people, except for infants whose mothers cannot provide breast-feeding.

B. Housing Conditions and Problems

362 Of the problems of food, clothing, and shelter, the latter still poses a serious problem, but the food and clothing problems have been fairly well met. The housing situation remains critical despite the assistance of the government and U. S. agencies in instituting various housing programs and improving housing conditions during the last few years. Much progress has been made in this area, and the day when every citizen occupies adequate housing may not be too far off.

Formosan dwellings may be divided into three main types. A typical good urban dwelling is built of reinforced concrete with kiln brick walls, new tile roof, and cement floors and is equipped with electric lights and running water. A typical good rural house has mudbrick walls, thatch roof, and dirt [illegible] cement floor, the water supply comes from a well or river, and the light from electricity or kerosene lamps. The third group of dwellings includes all kinds of improvised shacks and huts in urban areas and farm houses built of such cheap and inferior materials as wooden boards or bamboo for walls and corrugated iron or split bamboo for roofing. Houses in the first group may be new or old. Some of them, especially old ones, are built of mudbrick wall and brick or dirt floor. Their sources of water supply range from a municipal water system to a well, ditch, or stream. Electricity is used for lighting by nearly nine tenths of the urban households, and by a little more than one third of the rural homes. Construction of new power lines in rural areas is expected to increase the use of electric lighting in the future.[4] Of more immediate importance to home comfort is weather-tight roofing; some 60 per cent of Formosan houses are reported to have leaking roofs.[5]

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[3] Economic Co-operation Administration, *Economic Development on Formosa 1951-52*, Taipei, 1953, pp. 39-40.

Housing conditions during the Japanese occupation were adequate, but general sanitary conditions were not always satisfactory. The destruction of buildings and water supply systems during the war coupled with the recent increase of population, especially in urban areas, have created the post-war housing shortage. Rural people in search of employment and an increasing number of evacuees from the Mainland swarmed to the cities, where reconstruction of houses was slow and land values high. Some of the new arrivals usurped public thoroughfares or the shells of damaged

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[4] Arthur F. Raper and others, Urban and Industrial Taiwan--Crowded and Resourceful, Taipei, FOA and Nat'l Taiwan Univ., 1954, p. 348.

[5] Ibid., p. 346.

362 buildings as sites for temporary huts and shacks. Lack of building material, adequate lighting and toilet facilities, and proper water supply created many crowded and unsanitary slum areas in large cities. This situation has been steadily meliorated in the last five years as Formosa's economic rehabilitation progressed and personal income rose. However, some shacks and huts, somewhat refurbished and assuming an air of permanence, are still found in the cities. Typical of them are the shelters on Chungua Road alongside the railroad in Taipei. They are built of old bricks, thin boards, corrugated iron, and bamboo. In some extreme cases, one room no bigger than 9 by 15 feet serves the living needs of as many as twenty people -- from cooking and dining to sleeping in shelves along the walls.[6] The congestion, poor lighting, inadequate ventilation, dampness, and smoke create the worst imaginable sanitary conditions.

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648 To relieve the crowding and improve living conditions, several housing programs have been launched through the cooperation of the government, U. S. Aid agencies, and the dwellers concerned. In Keelung, where hundreds of dockworkers' families had lived in sheds and empty crates, 102 new houses were built in 1954 under the Keelung Harbor Docks' Self-Help Housing Program. The program was implemented technically and financially by the Mutual Security

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[6] Mutual Security Mission to China, Foreign Operations Administration, Housing, (unpublished pamphlet), Taipei, 1954, p. 1.

262 248 Mission to China (MSMC) in coöperation with the Dockworkers' Union and the Keelung Harbor Bureau. The occupants of the new housing contributed 60 days of unskilled labor for its construction, and are now making amortization payments of 15 per cent of their monthly family incomes, so that in less than ten years they will own the houses they now occupy. The houses are built of cinder-blocks and reinforced concrete, and each provides 288 square feet of living space partitioned into two bedrooms, a living room, kitchen, and toilet. The building cost of a house, including the installation of electricity and running water, is about US$400.[7] The Keelung idea has been extended to Kaohsiung Harbor dockers in the South, and to salt-field and mine workers. More than 295 houses were being built in late 1954 for those three groups of workers.

In the meantime, the MSMC is giving technical assistance and providing a long term loan at low interest to implement the work of the National Housing Program Working Group, currently the National Housing Committee (NHC) of the Chinese Government. The Committee administers the national housing program and undertakes such responsibilities as arranging long-term, low-interest loans for housing investment, promoting self-help building for which the government supplies equipment and technical information, and encouraging coöperative housing programs, etc. Under the auspices of the committee, a National Housing Exhibition featuring 52 selected, low-cost housing

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[7] Ibid., p. 4.

648 362 designs -- actually built -- was opened in October 1955 in Taipei.[8] The model houses are built of reinforced concrete, kiln brick wall, cement or brick floor, new style tile roof, and are equipped with electricity and running water. The houses range from four-to seven-room units. The best and most expensive type of design provides for a living room, three bedrooms, a kitchen, a dining room, and a bathroom equipped with flush-toilet -- rarely found in Formosan homes. It is believed that the self-help, low-cost housing program as well as the efforts of NHC will go a long way toward improving housing conditions in Formosa.

II. ENVIRONMENTAL SANITATION

A. General Sanitary Conditions

744 Climate and economic conditions are the main determinants of the living environment of the Formosan people. Although sanitation is being constantly improved, it is still far from adequate and, with the housing situation, presents a most serious problem in the field of public health. The long summers, relatively warm weather throughout the year, and usually abundant rainfall, provide conditions favorable to the spread of communicable diseases. The rapid increase of population, especially in urban areas, unmatched by proportionate expansion of housing, public sanitation, and fresh water supply facilities has created such new problems as congestion in living quarters, lack of sufficient water, and shortage of public toilets. These conditions aggravate the previously existing situation of poor housing, drainage systems, and waste-disposal facilities.

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[8] Chung-yang Jih-pao [Central Daily News], Oct. 17, 1950.

B. Specific Conditions and Problems

744 Few homes in Formosa are equipped with modern facilities. Brick stoves burning charcoal are the most common medium for cooking and heating; oil and kerosene lamps provide most of the lighting. Smoke from both these sources is a polluting agent within and outside the home, particularly in the rural areas. According to a recent study, 15 per cent of urban homes and 40 per cent of rural homes are not equipped with electric lighting, to say nothing of other electrical facilities.[9] Drinking water is piped into only about 30 per cent of urban houses and less than 15 per cent of rural dwellings; about one-third of urban households and two-thirds of rural homes obtain water for drinking and cooking from wells; and the rest of the households get their water from irrigation ditches, streams, and springs.[10] Towns under 20,000 population generally do not have a system for piping water into homes.[11] Some wells have pumps, but most are open to pollution by dirt, insects, and the runoff of surface water. Flush-type toilets are rare, only about 1 per cent of urban dwellings have such a facility; the majority of households use inside or outside privies, periodically emptied of night-soil for disposal as fertilizer.

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362 Sewer systems in towns and cities are networks of open drains designed to carry storm runoff and waste water from domestic and industrial sources. The brick or cement gutters, from one to four feet deep, are generally located between the street and the sidewalk. Occasional cross drains lead into

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[9] A.F.Raper and others, op.cit., p. 348.
[10] Ibid., p. 349.
[11] [next page]

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362 trunk lines, which empty into open canals. Most urban centers have a system of high-level canals bringing in fresh water, and another network of low-level canals carrying away waste water. However, it is a common sight to see children swimming and women washing clothes or vegetables in low-level canals. Often garbage, night-soil, and other refuse are dumped into the fresh-water canals. Some municipal authorities are now considering elimination of open sewage systems with all their disadvantages, but the enormity of the job and financial difficulties preclude any immediate fulfillment of such plans. For instance, the municipality of Taipei is contemplating the construction of an underground drainage system costing hundreds of millions of Formosan dollars and requiring more than ten years to complete.[12]

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514 The scarcity of chemical fertilizers and the average farmer's lack of financial resources necessitates the use of all organic refuse materials from human and animal sources to enrich the soil. The consumption of raw vegetables fertilized by unprocessed night soil is a primary cause of the spread of intestinal diseases. In addition the use of night soil presents problems of collection and disposal. In cities, human excrement from one or more households is often stored in water-tight vaults. The contents are periodically emptied by

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11. E. A. Turner, "Environmental Sanitary Conditions in Taiwan," Chinese American Economic Cooperation, Volume II, No. 2, Feb. 1953, pp. 51-65.

12. Central Daily News, Jan. 11, 1955.

744 514 long-handled dippers into wooden buckets and carried to collectors' carts for transportation to reservoirs outside the city. There the night soil is sterilized before being distributed to rural areas. In the countryside, human excrement is usually taken directly from the privies and applied to the soil without processing.

744 364 Refuse of all kinds is extensively utilized. Private or municipal collectors of refuse carefully sort waste material to salvage and resell as much of it as possible. Organic waste is used for composting fertilizer; paper, rags, glass, and metals are sold for scrap. While waiting for disposal, the compost piles and junk heaps provide breeding places for disease, rats, and insects. Other breeding places for diseases and their carriers are provided by waste accumulation in the streets and back yards of cities; the number of workers engaged in the collection and disposal of night soil and refuse is insufficient for prompt waste disposal. In Taipei, for instance, while the population was doubling in the 1950-54 period, the number of night-soil collectors [13] increased only from 410 to 428. However, under the cooperative efforts of the American MSMC, the JCRR, and government agencies, more efficient and sanitary methods for the collection and disposal of waste materials are being adopted.

744 The problem of sanitation is complicated by public ignorance concerning it. Although the people

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[13] The Central Daily News, Jan. 21, 1955.

744 are being made increasingly conscious of the need for sanitation, such unsanitary habits are still common as spitting in public places, discarding waste onto streets, dumping refuse in open sewers, and permitting chickens to wander freely through homes. Garbage cans are scarce, and the too-few public toilets are often not kept clean. In an attempt to improve the situation, the provincial government has organized the Committee for Supervision and Guidance of Environmental Sanitation. The committee is divided into small groups which tour the island to inspect sanitation facilities and to direct the improvement of them in all government agencies, schools, public meeting places, public markets, and slaughter houses.[14] Each local government also has a similar committee to formulate sanitation policies. However, government assistance in improving public sanitation is limited by lack of sufficient finances. In the municipality of Taipei, only 8.37 per cent of the 1954 budget was allocated for all public health needs, of which environmental sanitation was only a part.[15] Government efforts are supplemented by the work of various social organizations, such as the Women's Association, in improving public sanitation.

As will be discussed in the following section, considerable advances have been made in the improvement of health and medical facilities and in the prevention and control of disease, leaving environmental sanitation as the major challenge in the field of public health.

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[14] T'ai-wan Sheng-cheng-fu Kung-pao [The Official Gazette of the Taiwan Provincial Government], Feb. 21, 1955.

[15] The Central Daily News, Jan. 30, 1955.

III. PUBLIC HEALTH PROBLEMS

A. General Background

744 731 Many of the communicable diseases usually associated with a tropical and sub-tropical climate were common to Formosa until the end of the nineteenth century. At that time, Formosa was still commonly called the island of epidemics. Plague, cholera, and smallpox caused the most serious epidemics; malaria, dysentery, typhus, and pneumonia were widespread but less prevalent. The control and prevention of these diseases became a major task of the Japanese administration which took over control of the island in 1895. The activities of the health bureau were closely coordinated with the exercise of the police power. Such measures as enforced vaccination, isolation of patients, destruction of contaminated houses, elimination of rats, and strict quarantine at seaports brought quick results. Since 1920, no major
744 164 epidemics have occurred on Formosa.[16] Preventive activities against venereal diseases, parasitic diseases, trachoma, tuberculosis, and leprosy were begun by the Japanese in the late 1920's. By 1942, deaths from contagious and other diseases among Chinese inhabitants of Formosa had been reduced to the following yearly rate:[17] tuberculosis, 4,834; malaria, 5,792, parasitic diseases, 5,775; tracheitis, 4,661; pneumonia, 18,922; diarrhea and intestinal inflammation, 14,789; and kidney disease, 5,993. The least results were achieved in controlling tuberculosis, malaria,

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[16] Shao-hsing Chen, "Population Growth and Social Change in Taiwan," Bulletin of the Department of Archeology and Anthropology, Nat'l. Taiwan Univ., Taipei, May 1955, pp. 76-103.

[17] [next page]

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164 parasitic diseases, pneumonia, diarrhea, and intestinal inflammation, but the remarkable success in general of the health measures undertaken by the Japanese is evident in the decreased death rate during the course of the Japanese occupation.

DECLINE OF DEATH RATES DURING 1906-1942

Year	Total Population	Number of Deaths	Crude Death Rate per 1,000 pop.
1906	3,156.7	104.7	33.2
1925	4,147.5	98.0	23.6
1942	6,249.5	112.0	18.0

Source: Statistical Summary of Taiwan for the Past Fifty-one Years, Taipei, 1946, Tables 50 and 87. Crude death rates are calculated by the author.

Since the end of World War II, the most prevalent and menacing diseases have been tuberculosis, pneumonia, malaria, trachoma, leprosy, parasitic diseases, and diarrhea. Of lesser incidence are diphtheria, typhoid, smallpox, typhus, plague, cholera, and venereal diseases. Significant progress has been made since the war in controlling a number of these diseases, particularly malaria, tuberculosis, the venereal diseases, leprosy, and trachoma. Progress in this area and in the building of hospitals, expansion of

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17. [from previous page] The Statistical Summary of Taiwan for the Past Fifty-one Years, Taipei, 1946, Table 91.

764 medical facilities, training of personnel and
164 distribution of medical supplies have been effected through the joint undertakings of Chinese Government, United States, and international agencies, namely, the American MSMC, American Board for Medical Aid to China, Sino-American JCRR, World Health Organization (WHO), and United Nations International Children's Emergency Fund (UNICEF). The decline in the death rate during the 1948-53 period from 14.3 to 9.5 per 1,000 population[18] is clear evidence of the advances made by these joint efforts.

B. Specific Measures

744 Malaria. The Japanese in the last years of their malaria-control program maintained 375 malaria stations throughout the island for the administration of suppressive drugs. During the war the efforts were discontinued and an epidemic broke out in the post-war years. The Malaria Eradication Program begun in 1952 under the joint sponsorship of the Provincial Government, WHO, MSMC, and JCRR, arrives at complete elimination of the disease from the island by the end of 1956. By early 1956, the program had provided direct protection against malaria to more than 5,500,000 residents of formerly malarial areas.[19] The control program is carried out through (1) continuous checking and study of malaria parasites and treatment of malaria patients in the rehabilitated 144 malaria control stations throughout the island, and (2) the planned residual spraying with DDT of all dwellings in

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[18] See Table 8 in chapter on Population.

[19] Mutual Security Mission to China, International Cooperation Adm., The Public Health Program on Taiwan (unpublished pamphlet), Taipei, 1955, p. 6.

malaria-affected areas to break the cycle of infection.

Tuberculosis. This is one of the most serious and crippling diseases in Formosa; one out of every ten deaths on the island is attributed to tuberculosis.[20] The control program has mainly employed a preventive technique, giving tuberculin tests, mass chest surveys, and BCG vaccination shots (believed to increase the resistance of infants and children against tuberculosis). The JCRR assisted the government in constructing and equipping a laboratory for productio of BCG vaccine, and the Taipei Tuberculosis Center, a unit of the Provincial Health Administration (PHA), has been acting as a sponsoring agency for extensive vaccination. Hospitals, rural health centers and stations and mobile units co-operate in carrying out this program. As of 1955, all school children had received tuberculin tests, and youngsters showing negative reactions were given BCG vaccinations. Testing and vaccination have now been extended to pre-school children.

Serum and vaccine production. The Taiwan Serum and Vaccine Laboratory, organized with JCRR assistance after World War II, has since received help from JCRR, WHO, UNICEF, and MSMC. Through co-operation with the National Taiwan University School of Medicine, the laboratory is now able to produce most of the serum and vaccine needed for the population. In 1952, the

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20. A. F. Raper, Rural Taiwan -- Problem and Promise, Taipei, Joint Commission on Rural Reconstruction, 1953, p. 230.

744 laboratory manufactured smallpox vaccine for 8,800,000 persons and distributed it free to 350 health stations. In the same year, mixed vaccine against cholera and typhoid was produced for 2,355,000 persons and issued to the health stations for free inoculations.[21]

Other programs. Campaigns against trachoma through examination and treatment of school children; the control of venereal diseases through education, periodic examinations, and treatment; and the establishment of a blood bank to meet emergency needs; all are being carried out through the co-operation of various governmental, United States, and international agencies. In addition, the provincial government operates a leprosy colony for the custodial care of some 700 patients.

C. Medical Education

874 There are currently three medical schools and two college-level nursing schools in Formosa -- the National Taiwan University School of Medicine, the National Defense Medical College, and the non-Government Takau Medical College, the National Army Defense Nursing Schools and the Provincial Technical School of Nursing.

The National Taiwan University (NTU) School of Medicine is the island's highest medical institution. It trains dentists and pharmacists as well as physicians and surgeons. The doctoral

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[21] China Handbook 1953-54, Taipei China Publishing Company, 1953, p. 140.

874 degree requires seven years of work -- three in pre-medical courses at the College of Sciences and four in specialized studies at the school. In the 1954-55 school year, the school had 175 pre-med students and 361 medical students, 66 of them studying pharmacy. The National Defense Medical College trains doctors and medical technicians for the armed forces. The private Takau Medical College, recently established, has an enrollment of 61 students. It admits graduates of senior middle schools for six years of professional education in general medicine, dentistry, and pharmacy. The National Army Defense Nursing Schools offers nursing diplomas and bachelor degrees in nursing. For the degree graduation from a senior middle school is required for admission to a four-year course. The Provincial Technical School of Nursing, established in 1953, gives training in nursing education. It admits about forty students yearly.[22] In addition, there are four provincial nursing schools which offer courses in nursing only; two of the schools are at Taipei, one at Tainan, and the other at Taichung. The Provincial Taipei School of Nursing is the only institution on the island that maintains four-year diploma programs in nursing and midwifery.

In addition to recently expanding its medical
874 facilities, the NTU School of Medicine has made
648 progress in medical education through a United
States two-way technical assistance group. Under

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[22] The statistics in this paragraph are from the Department of Education, Taiwan Provincial Government, T'ai-wan-sheng Chiao-yü T'ung-chi, [Statistics of Education in Taiwan Province, School Year 1954], Taipei, 1955, Tables 10, 18, and 21.

874 the program, key local faculty members are sent
648 to the United States for training, and United States medical consultants are sent to the NTU School of Medicine for short periods to teach and to assist in the revision of curriculum and teaching methods. In co-operation with Duke University 32 man-months of United States consultant work at the school was scheduled for the fiscal year 1955 and 36 man-months for fiscal 1956. With the help of these and other U.S. technical assistance consultants, much of the school's curriculum has already been completely revised along modern lines. It is expected that the personnel of the school now receiving training in the United States will eventually take over the work of incorporating new medical knowledge and teaching methods into the curriculum. Recent improvement of school facilities includes the renovation of all key buildings and the establishment of a clinical pathology laboratory and a completely equipped therapeutic and diagnostic X-ray building at the NTU Hospital.[23]

874 A nursing program has been developed to provide more nurses by establishing new schools and to improve the existing training of personnel by short training courses as well as education abroad. A new program at NTU to provide college-level

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[23] Mutual Security Mission to China, International Co-operation Administration, op. cit., pp. 3-4.

874 training for nurses will begin in 1956 with the expectation of graduating forty nurses with B.S. degrees yearly after 1960. In addition, nine nurses have received training in the United States under the technical assistance program; three are scheduled to enter the program in 1956 and seven in 1957. In Formosa, the Provincial Health Administration is also conducting seminars for hospital administrators, chief nurses, and head nurses.

D. Outlook

744 Today, the major challenge in the field of public health lies in environmental sanitation. The problem entails, in particular, the improvement of waste collection and disposal, of food sanitation in private homes, food stands, and restaurants, and of insect and rodent control. Concentration of attention in these areas is vital to maintain the present general level of the population's health as well as to reinforce the curative and preventive accomplishments already made in the treatment of specific diseases.

Since the improvement of environmental sanitation is closely related to a higher standard of living, the attainment of completely satisfactory conditions will be a long and hard pull. Under the co-operative efforts of the government, the United States, and international agencies, Formosa has made great advances in health work and looks forward to achieving a clean and healthy community free from major diseases in the not too distant

744 future. Before attaining this goal, however, health education will have to be extended to all classes of the people, and the economy made stable and prosperous.

IV. MEDICAL FACILITIES AND PERSONNEL

759 Formosa is better provided with professional medical personnel and better equipped with medical and health facilities than the average Asian nation. The latest reports on medical personnel and facilities on the island show the following situation:

LICENSED MEDICAL PERSONNEL -- FORMOSA 1953 *

Physicians	5,4[illegible]
Herbalists	1,[illegible]
Dentists	[illegible]
Pharmacists	906
Nurses	[illegible]
Midwives	2,310
Dental technicians	234
Druggists	327
Total	12,633

* [illegible] 1954-55, Taipei [illegible]

MEDICAL FACILITIES -- FORMOSA 1952*

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Health centers	22
Health stations	343
Provincial Hospitals	13
Provincial Sanitoria	3
Hsien maternity and child health centers	1
Hsien and municipal hospitals	9
Hsien and municipal isolation hospitals	6
Municipal sanitoria	3
Private hospitals	121
Private clinics	3,895
Total	4,416

*/ China Handbook 1952-53, Taipei, 1952, p. 114.

759 The number of licensed physicians alone in 1953 was sufficient to provide one doctor for about every 1900 people.[24] This compares with a ratio of one doctor to every 70,000 people in Indonesia, one to 13,300 in Burma, one to 4,000 in the Philippines, and one to 739 in the United States.[25] Many of the doctors in Formosa have

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[24] Based on latest population estimate of 10,400,000.

[25] Economic Co-operation Administration, Far East Data Book, Nov. 1951, Washington, D.C. These are 1950 figures.

159 been trained in Western countries, the doctors who have not are capable of providing treatment equivalent to that of their Western counterparts except for the administering of the newest medicines. Many of the midwives are well trained and capable of efficient practice in their specialty.

744 Health centers at 22 cities under _hsien_ and provincial administration and health stations at more than 350 townships and villages throughout the island provide a network of medical facilities for the administration of preventive and curative measures on a mass basis.[26] A health center is usually staffed with from 20 to 25 persons, including four or five physicians, three to six nurses, two or three midwives, and one or two laboratory technicians. The health stations are branches of the health centers; a typical health station has a physician, a nurse, a midwife, a sanitarian, and a technician. Since 1954 the provincial government has established 120 sub-stations in aboriginal villages to extend its health services; a sub-station is permanently staffed with an attendant nurse and a midwife. In addition to out-patient clinical care, the health centers and stations provide obstetrical services, home and school visits by nurses, preventive inoculations, health education, laboratory services, and mobile clinical treatment in neighboring villages. The centers and stations also gather and compile vital statistics. The stations are now an integral part of rural communities and are financially self-supporting.

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26. Mutual Security Mission to China, International Co-operation Administration, _op. cit._, p. 5. The number of health stations is constantly increasing.

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757 Traditional Chinese medical services were provided on Formosa by 1,755 herbalists in 1954. A recent survey of 1,383 urban households showed that 75 per cent of them sought medical care from modern physicians, 50 per cent from herbalists, and 15 per cent from temple healers.[27] Obviously, many households relied on two or more types of medical practitioners. This practice probably has close affinity to the widespread custom of simultaneous belief in two or more religions, with emphasis placed on one or the other at various milestones or crises in individual or family life. Some Chinese shop for medical cure as they do for religious help. There are numerous reports of illnesses cured by herbalists after long and fruitless treatment by Western-style doctors. Age and education also affect attitudes toward the various kinds of medical services. It is not uncommon for the older members of a household to depend on temple healers and herbalists at the same time that younger members of the family are relying on Western-trained doctors.

758 The supply of medicines and drugs on Formosa is adequate by modern standards, and a wide range of new medicines are now considered necessities rather than luxuries. The central government maintains a medical supply bureau which manufactures thirty kinds of standard

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[27] A. F. Raper and others, op. cit., p. 316.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
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758 pharmaceutical preparations for the market, and imports other medical supplies for distribution at cost to schools, nurseries, and other public agencies.

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Annex "A." Subparagraph 1q
Sociological Background

PUBLIC WELFARE

716 Industrialization and other economic developments have been the main cause of rapid urbanization in Formosa in the last few decades. During this time much social dislocation has occurred and many new social problems have arisen. Within the traditional family system there was practically no need for social insurance. The clan provided for its aged, unfortunate, infirm, and destitute members, as did the extended families to members who needed assistance (see chapter on the Family). In the agricultural society, life was serene and subject to few changes. With the advent of industrialization and the introduction of new techniques, the pattern of life was partially, if not wholly, geared to a social system characteristic of Western industrial society. Even surpassing the rapid rate of increase in the total population, the number of urban population (those living in communities with over 40,000 population) has increased more than 5 times[1] since 1930.

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[1] These data are derived from A. F. Raper and others, Urban and Industrial Taiwan, Taipei Foreign Operations Administration and National Taiwan University, 1954, p. 255.

746 In recent years, the number of households on relief and the number of urban persons who must earn their livelihood by "marginal self-employment" have increased. However, the need for unemployment insurance may not be as urgent as it is in countries that are dependent upon industry for the major part of their national income, although some such scheme is perhaps becoming more necessary. Changes in the family system and the concept of the family, the trend of population growth, education, and technology, are all likely to create social problems of far-reaching effect. The unfortunate aspects of such changes must eventually be made a national concern, and a comprehensive social-security program must be created.

A. Social Insurance

In Formosa, as well as in some other societies, a strong sense of family obligation acts as a kind of social insurance. Parents support their children, children support their parents, husbands assist their wives' relatives, and relatives provide each other with such help as they can render in time of trouble. This sense of obligation arising from kinship is still very strong in rural areas, but it is less common in industrial areas.

Efforts toward the establishment of such a system of social insurance as is known in industrialized countries have been increasing in the last few years, although Formosa is still far from the attainment of a comprehensive system. A collective labor insurance policy was put into effect on June 1, 1950 for all the workers in public and private factories, mines, salt fields, communications, and public utilities. Insurance coverage includes injury, disability, maternity, death, and old age. However, there is no sickness insurance, although it is in demand among the workers.

An injured worker, while unable to work, receives free medical attention and also daily maintenance assistance amounting to one-half to two-thirds of his earnings. Maternity insurance gives pregnant workers two months with full pay and some maternity benefits. It also allows maternity benefits to the wife of the insured worker, but the benefit is paid for a period of ten days only.

Insurance against death is provided for the worker or for any member of his family, and the beneficiary receives a payment amounting to 10 to 24 times the worker's monthly earnings, as well as an additional amount to cover some of the funeral expenses, depending upon the length of the period during which the insured has held the policy and paid

174E premiums. For instance, if a worker has held his policy for four years or more, his beneficiary is entitled to 20 times the amount of monthly earning at the time of death. Death of any member of the family of the insured brings benefits equivalent to one month's wages.

Old-age insurance has some restrictive and impractical provisions regarding the payment of benefits. An insured worker must carry the insurance for at least fifteen years and must reach 60 years of age before he can be considered for retirement with a lump sum benefit equal to 15 months of his earnings.

The insurance premiums are paid to the Labor Insurance Agency (a branch of the government-operated Taiwan Life Insurance Company) at the rate of 3 per cent of an insured worker's monthly earnings. Of this 3 per cent, 20 per cent is paid by the insured, 20 per cent by the provincial government, and 60 per cent by the employer. A similar insurance plan for fishermen has been in operation since 1953; there is a slight variation in the payment of premiums. By the end of 1954, insurance had been acquired by 255,000 workers and 73,900 fishermen, and over NT $50,000,000 [US $2,657,000] in benefits had been paid to

746 142 488 cases.[2]

Another and similar type of insurance, designed for all levels of government employees is now in the process of being instituted. An interesting feature of this plan is that it allows insurance against sickness, a provision which is lacking now in both labor and fishermen's insurance. All employees under this plan, regardless of their official rank, will pay a flat rate, and the government will assist in the payment of premiums -- paying a greater share of the premium for those of lower rank.[3]

As industrialization and urbanization continue there will rise a need for other types of social insurance, such as unemployment insurance and old-age pensions.

B. Social Welfare

746 747 Welfare activities in Formosa are promoted and fostered by the government through legislation and supervision, with a view to the improvement of the living conditions and the mental well-being of the people.

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[2] Hsin she-hui [New Society Monthly], Vol. 8, No. 3, pp. 3-5.

[3] Chung-yang Jih-pao [Central Daily News], Aug. 11, 1955.

746 747 In recent years, activity in labor welfare has been most conspicuous. The law provides that all enterprises set aside a certain portion of their capital stock and income for the establishment of "welfare units" such as cafeterias, low-cost housing, clinics, night classes, public baths, barber shops, nurseries, placement offices, laundries, and libraries. As an example, a government-owned cigarette-manufacturing factory at Sung-shan (near Taipei) furnishes its workers with free transportation, has a clinic of its own, and provides such benefits as a day nursery, laundry facilities, cold-drink stands, a barber shop, and public baths. Labor unions also participate in establishing welfare units. Each of the general labor unions and hsien federations has a "Labor Welfare Committee" with the function of improving living conditions and mitigating the hardships imposed by the low wage scale. For instance, there is a "labor clinic" in the Keelung City General Labor Union and in the Hsien Federation of Labor at Taichung, Hsinchu, Yilan, Chiayi, and Taoyuan.[4] There is also a "home of labor," forming a center of welfare activities, in the Hsien Federation of Labor at

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[4] China News Service, T'ai-wan Ching-chi Nien-pao 1953 [Annual of Taiwan's Economy 1953], Taipei, 1953, p. 174.

746 Yilan, Hualien, Taichung, Chiayi, and
747 Kachsiung.[5] Most of the welfare units have stores which sell daily necessities to union members and workers at lower prices than those prevailing in the markets. As of 1954, there were 354 such welfare units on Formosa, with 2,120 sub-units such as clinics and cafeterias.[6]

Similar welfare benefits exist for fishermen, farmers, and salt workers. For instance, the Tainan Salt Field Welfare Service provides for its workers, emergency loans, medical service, a milk supply and motion pictures.

To alleviate housing problems, a low-cost housing program was completed in 1954 for Keelung dockworkers. Housing programs in large cities are also being carried out under the auspices of the government, United States agencies, and related organizations.

The Committee for Directing Women's Movements has a welfare division where a

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[5] Chung-hua Nien pao 1953 [China Annual 1953], Taipei, 1953, Vol. I, pp. 99-100.

[6] China Annual, 1954, Vol. III, p. 90.

74 tailoring class is held and legal and marital counseling and employment assistance are given. Many women's associations at provincial and hsien levels have vocational training classes for women in an effort to increase their earning capacity. The Taipei Municipal Government has recently launched a rehabilitation program for 200 prostitutes, and gives them training in nursing, sewing, embroidery, typing, etc.[7] To assist children's health growth and to lighten the responsibility of working mothers, many nurseries have been established on Formosa. In Taipei alone there are 16 nurseries, not including those established by various private enterprises, equipped to care for over 2,000 children.[8]

C. Social Relief

74 Regular relief is given to the aged, the destitute, and the dependent. The relief organizations emphasize self help rather than direct relief. There are 5 provincial and 11 private relief homes on the island, accommodating over 3,200 persons. Their activities are generally confined to medical attention, classes in trades and techniques, and education

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[7] The Asia Foundation Bulletin, May 23, 1955.

[8] Hsin-she-hui [New Society Monthly], Vol. 6, No. 4, pp. 29-32.

74 for citizenship. The four provincial relief homes at Taipei, Pingtung, Hualien, and Makung house the old, educate and train the disabled, the poor, and dependent children, and give medical care wherever necessary. The Provincial Women's Home in Tainan accomodates aged women and aids destitute women. Some of the private relief organizations have a long history of relief activities extending back to the time of the Ch'ing Dynasty (1644-1912). For instance, the Private Taipei Ai Ai Relief Home and the Taipei Jen-chi Relief Home have long engaged in caring for the aged, the giving of medical care, rehabilitation of the disabled, and guarding and caring for the mentally ill. Four orphanages, two in Taipei and the others in Taichung and Tainan, receive orphans of 2 to 12 years of age. The Taipei Provincial Orphanage, located at Peitou, has full-time custody of 300 orphans and dependent children. The children are well-fed by Formosan standards, each receives 500 grams of rice and NT $1.50 equivalent of meat and vegetables per day. In addition the orphanage provides both kindergarten and elementary education. Some 50 other children of the poor in the area attend the orphanage's primary school, and 162 attend its kindergarten.

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74 Emergency relief entails disaster relief, winter relief, and refugee relief. The law

731 746 provides that the local authorities of disaster-stricken areas (most disasters being the result of typhoons, earthquakes, and floods) report to the provincial authority, so that afflicted people may be given shelter, food, and medical attention. The government, in addition to the supervision of relief work, contributes about one third of the financial expenses, and private organizations of all kinds and public-minded individuals contribute to make up the rest. When the southern part of the island was stricken by a destructive typhoon in 1952, the whole island joined in a "Relieve the South" campaign in which schools, business enterprises and organizations, public agencies, and private individuals were urged to contribute cash or "in kind" to a relief fund which was administered by the government.

146 Every year from December to March hsien and municipal governments take the lead in providing winter relief to the poor. Contributions from schools, from various organizations, including churches, and from individuals are pooled under the administration of the local authority and money, food and clothing are given to the needy.

Relief of refugees from the China Mainland, and recently from the Tachen Islands is being carried out chiefly by the government

746 and the China Mainland Refugee Relief Association, and to some extent by other organizations. The association extends its activities to Hong Kong and other areas of the world; it receives contributions and donations at home and from abroad. In the fall of 1955, about 1,000 fishermen who fled to Hong Kong from the Mainland were each given HK $20 by the relief association.

For refugees in Formosa, direct relief, low-rate loans, relocation on farms, and employment assistance are administered by the relief association. Some 5,000 families evacuated from the Tachen Islands are now being integrated into the economy of Formosa. Villages and farms have been constructed for them, and many have entered the fishing, farming, small business, and handicraft industries. A total of 514 disabled persons among the refugees from the Tachen Islands were given medical treatment and shelter by the provincial government.

Annex "A," Subparagraph 1r,
Sociological Background

ATTITUDES AND REACTIONS

I. COMPOSITION OF POPULATION

563 Ninety-eight per cent of the population of Formosa are of Chinese origin. Two per cent of the population are aborigines whose origin, although generally conceded to be Malayan, remains a subject for academic dispute. Among the Chinese, approximately eighty per cent are the descendants of early Chinese settlers, whom we call Formosan Chinese, or often simply Formosans. The early settlers came to the island from the southern part of Fukien Province and the eastern Part of Kwangtung Province between 1600 and 1895. In 1895 the island was ceded to Japan and immigration from the Mainland was restricted.

During the half century of Japanese occupation, Chinese tradition and culture were preserved by the Formosan people, the family remained the center of most social and economic activities, and Formosan Chinese, anxious to maintain a sense of solidarity, kept in touch with their relatives on the Mainland.

In 1937, the Japanese launched a campaign to destroy the spritual affiliation of the Formosan Chinese with their ancestral land. The Japanese language was used in the classrooms, and Shintoism was introduced to replace the traditional polytheistic religion of the Formosans. But before these efforts could take effect, World War II ended and Japan was forced to relinquish its rule in Formosa.

Approximately twenty per cent of the curre Chinese population on the island immigrated to Formosa after 1945. The greatest number arrived in 1949-50 when the Communists seized control of the Mainland. Most of the recent immigrants, former government employees and commercial workers, have settled in the larger cities. Racially and culturally they resemble the Formosan Chinese, although many speak a different dialect. They regard their residence in Formosa as temporary, since most of them were forced to leave family and property on the Mainland.

The aborigines, who constitute two per cent of the population, lead a primitive life in the mountainous regions of the island. Those tribesmen who lived on the plains, have been assimilated by the Chinese and have accepted Chinese customs and preoccupations.

II. ATTITUDES OF THE FORMOSAN CHINESE

A. Toward the Communists:

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A small number of Formosans had attended the Communist training school (the Institute of the Toilers of the Far East) at Moscow. In 1928 they held a conference with Chinese and Japanese Communists in Shanghai. Shortly thereafter they formed the Taiwan branch of the Japanese Communist Party. Their mission was to "lead" the Farmers" Association, the Workers' Union, the Cultural League, the Anti-Imperialist League, and the Friends of the Masses Society on the island and to incite strikes and riots.[1] One Communist leader, Yang Chun-sung, was assigned to work among Formosan residents in Japan.[2] In 1931 the Japanese administration suppressed the movement in Formosa, disbanding all organizations connected with it. The leaders were either imprisoned or put to death. One of the leaders, Hsieh Hsueh-hung, was sentenced to thirteen years of imprisonment.[3] Following the restoration of Formosa to China, the Communists were active again. They organized the People's League, revived the Farmers' Assodati on, and published a newspaper called Jen-min Kung-pao [People's Bulletin]. Ts'ai Ch'ien, a Formosan Chinese[4] and veteran Communist who had accompanied Mao Tse-tung on his Long March to Yenan, was designated chairman of Taiwan's Communist organization.

[Footnotes 1 - 4 on following page.]

Gradually a growing number of Formosans were won over by Communist Party tactics. The Communists played an important role in the inciden of February 28, 1947 and lost many members durin the subsequent massacre by governor Ch'en I (Chen Yi). The small group led by Hsieh Hsüeh-hung escaped to Hong Kong and organized the Democratic Self-government League. Hsieh is now a member of the East China Administrative Committee and a member of the People's Political Consultative Council in Peking. The other Communist leader, Ts'ai-Ch'ien, was arrested by the Chinese Nationalist Government in Formosa in 1951 and his presen fate is unknown.[5]

The Communist Party in Formosa was outlawed in 1947 and the island's security control was further tightened when Formosa became the seat of the central government of the Republic of China in 1949. Communism is no longer a serious problem on Formosa. There were only two cases of

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1. Wang Chu-lou, "Tai-wan Jen-min Ko-ming Nien-pao" ["A chronicle of People's Revolution in Formosa], Kuang-ming Jih-pao [Enlightenment Daily], Peiping, February 28, 1952, p. 3.

2. F. W. Riggs, Formosa under Chinese Nationalist Rule, New York: Macmillan & Co., 1952 p. 54.

3. She was released in 1940 on account of ill health. Kuang-ming Jih-pao, p. 3.

4. He joined the Communist Party in 1925 while studying in a college in Shanghai.

5. Gendai Chugoku Chosen Jinmeikan [Who' Who in Present Day China and Korea] compiled by

[cont'd]

668 Communist espionage throughout 1955.[6] Educational institutions which have usually been hotbeds of Communist agitation are found to be relatively free of Communist influences. According to President Ch'ien Ssu-liang of Taiwan National University, there is no known Communist among either the professors or students, and that all suspected Communists have been either persuaded to change their convictions or eliminated. The presidents of two teachers' colleges know of no Communist activities in their schools.[7] The fact that Communist infiltration into Formosa has been held in check should not be construed as solely the resul of the stern preventive measures taken by the government.[8] After all, Communism has never

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Japan's Gaimo-sho Asia-Kyoku (Asia Bureau of the Japanese Ministry of Foreign Affairs), Tokyo, 1953, pp. 77-83.

6. Even in those cases, according to Nationalist reports, most Communist agents on the island are mainlanders rather than the Formosans, and they concentrate their efforts on propaganda work among fellow exiles rather than among the local population. F. W. Roggs, op. cit., p. 55.

7. Walter Crosby Eels, Communist in Education in Asia, Africa, and the Far Pacific, Washington, D.C., American Council on Education, 1954 p. 45.

8. Communist is a capital crime in Korea.

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668 been really strong on the island. It has never been given a chance to take root among Formosans. Communism was repeatedly persecuted by Japan with vigor when the island was under Japanese rule. After the restoration, a great many Communists perished in the February-March 1947 incident. Another important reason why the Formosans have never cherished any hope of being "liberated" by the Communists is that the islanders are convinced that they are faring better than the Chinese on the Mainland. Refugees fled from the Mainland have many stories to tell of the terror and sufferings they have experienced, and such accounts simply render Communist propaganda ineffective. The fact that 14,209 Chinese prisoners of war in Korea refused repatriation after hostilities ceased and that the inhabitants of Yikiangshan (I-chiang-shan) and nearby islands chose to evacuate to Formosa provide additional evidence of the ineffectualness of Communist propaganda. It is quite certain that the people in Formosa are firmly opposed to Communist and that they will wholeheartedly defend the island against Communist aggression.

B. Toward Independence:

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668 Some Formosans favor complete independence for the island from Nationalist rule. They advocate the sitting up of a United Nations trusteeship as a means of enabling the island to attain autonomy. It is said that the Japanese are secretly encouraging the movement in the hope that an independent Formosa might provide a better chance for Japan's imperialist expansion in the future. The separation

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movement attracted some following soon after the return of the island to Chinese rule, when the Formosans found themselves worse off than they were under the Japanese. They were denied at that time the opportunity of participating in the management of Japanese enterprises taken over by the Chinese Government. Although the new Chinese Constitution was in force on the Mainland in 1947, local self-government for Formosa was not carried out until 1949. Even then all positions of authority, in both government and business, were occupied by Mainland Chinese. As to the local people, if they had any standing during the Japanese regime, all were treated as Japanese collaborationists. Formosan Chinese who were enthusiastic about the restoration of the island to Chinese rule, expected equality from the Nationalist administration. When they were treated as second class citizens, they were naturally disappointed. Their resentment led to the growth of the independence or separation movement.

The leaders of the independence movement are the two Liao brothers, Joshua and Thomas. Their father was a tax collector at Lotung. Both brothers were educated at Columbia University, and taught in high schools after their return to Formosa. They formed a Freedom Party in 1945 and associated with the Communists in the uprising occurring February 28, 1947. Following this incident, they fled to Hong Kong, organized the Formosan League for Re-emancipation, and issued a manifesto, "Formosa Speaks," demanding independence and a plebescite.

186 169 The manifesto was circulated among the representatives to the United Nations, In May 1950 a Formosan Democratic Independence Party was organized in Tokyo; its leaders included Wilfred Wong, James H. Chen, Gordon Tan, Y. T. Tsong and Frank Lim.[9] Joshua Liao was elected Chairman of the new party. It was reported by a Hong Kong newspaper[10] that in view of their past association with the Communists, the Liao brothers were confined in Sugamo prison, Tokyo, for seven to eight months after their arrival in Japan, and were bailed out by an American by the name of John Kellen. In the latter part of 1955, apparently in connivance with Japanese authorities, they were active again. In September they organized an association of Taiwan residents in Japan and a "Taiwan Provisional Congress."[11] On November 21, 1955, it was announced that Joshua Liao assumed the post of the "President of the Taiwan Provisional Government" and the chairman of the Provisional Congress, while Wu Chen-nan was named "Vice-President."[12] According to Japan's Immigration Bureau, there were in 1955 about 25,000 Formosans living in Japan. How many of the Formosan residents supported Liao was not disclosed.

186 178 In Formosa the independence movement is regarded just as traitorous as Communism. Since

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[9] F. W. Riggs, op. cit., p. 56.

[10] Weekly Supplement of Hsing-tao Jih-pao (Hsing-tao Daily), No. 201, Sept. 15, 1955, p. 12.

[11] United Press, Tokyo dispatch, Sept. 28, 1955.

[12] Pan-Asia News Alliance, dispatch of November 21, 1955.

public expression of popular sentiment is not encouraged, it is difficult to tell how many Formosan Chinese would prefer complete independence or United Nations trusteeship for Formosa to Nationalist government. Moreover, conditions have been changing rapidly in the island. The opinions of foreign observers who visited Formosa during the early years of Nationalist rule are no longer sustained by recent visits. The truth of the matter is that the tide has turned since 1949. An almost uninterrupted series of reforms, economic, political and military, has taken place recently. Land reform has done away with the inquitous system of exorbitant rental. Tenants who constituted two-thirds of the island's population and who in 1950 still suffered from undernourishment, disease and poverty,[13] now own their own land, are well-fed, and possess their own homes. The damaged industries have been rehabilitated and many new ones have been established. Industrial production has exceeded the peak level under the Japanese. Local elections were held in 1950 and 1953. Among the officials in the Provincial, prefectural and municipal governments 67 per cent are Formosans,[14] and their participation is still increasing. Although we should not take it for granted that, on account of the absence of expressed sentiment, the Formosans are no longer in favor of the autonomy movement, it is fairly safe to assume that in view of the improved conditions as well as the imminent Communist menace, the Formosan people as a whole are not

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[13] W.I. Ladejinsky, "Land Reform in Formosa," Foreign Agriculture, Vol.14, No.6, June 1950, pp. 130-135.

[14] A. F. Raper, etc., Urban and Industrial Taiwan--Crowded and Resourceful, Taipei, '5 p.283

186 too anxious for complete independence; at any
178 rate, not before they can successfully defend the island against aggression.

C. Toward the Government:

186 Except an insignificant number of aborigines
the Formosans are Chinese or of Chinese descent.
642 Even under Japanese rule, they never forgot their own national origin. Poetry and songs composed during that period were replete with reminiscences of their mother country. That is why in 1945, the Formosan Chinese were overwhelmed with joy at the prospect of the island's being returned to Chinese rule after half a century of Japanese colonial dominance. But their enthusiasm was dampened by the abuses of Ghen Yi's administration. The Nationalist government after 1949 made a determined effort to win back popular support. Economic reconstruction has been vigorously pushed forward to enable the island to achieve self-sufficienty and stability. Large government corporations have been converted to private firms and turned over to the local people. The political basis of the provincial government has been altered to permit increasing participation by Formosans.

In spite of the special concessions granted by the Nationalist Government in the past five years some Formosans, according to the sentiment expressed in the Provincial Assembly, complain that they have not been making as much headway politically as they would like. Others are not happy because the popularly elected mayors and magistrates do not have full authority in the settlement

186 642 of local affairs, since governments on the local level as provided by the Chinese Constitution exercise only those powers delegated to them by the central government. There is also the complaint, though not necessarily substantiated by fact, that the "elected Formosans often held office in name only and that Kuomintang men appointed under them held the real power."[15] To remedy such complaints and to make the Formosans more enthusiastic about self-government, two measures may be desirable; (a) extension of the powers of the Provincial Assembly, and (b) selection of personnel for top provincial posts, including that of the governor, by popular suffrage.

642 433 To gain more support from Formosans, the Nationalist government must also seek to improve further their economic well-being. Although the general industrial level has risen forty per cent above the Japanese peak year of 1941, neither in agriculture nor in industry have the gains kept pace with the increasing population. The per capita production is still below that of the Japanese period. Moreover, the rising cost of living has made the economic life of the island unstable. With American aid, the Nationalist Government has been trying to step up the industrial production of the island, but the prospect of arresting inflation is not very bright.

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[15] Preston Schoyer, "Present Conditions on the Island," The Reporter, Vol. 12, March 10, 1955, p. 18.

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433 For the main cause of inflation is the huge deficit in the national budget, which is strainted by nearly one million men in the armed forces.

701 The upkeep of such a huge military force accounts for the most crucial question raised by political observers: are the Formosan people willingly supporting the military program of the government? Contrary to speculation, the answer is affirmative. Foreign visitors are practically unanimous in stating the lack of interest among the Formosans in the liberation of the Mainland. This is true although such sentiment has not been openly expressed as the result of the rigid government control of all media of public expression. Nevertheless, another facet of the question, the need of a strong military force to defend the island, has never been debated. The farmer in Formosa now owns the land he cultivates, however small the acreage, and enjoys the fruits of his own labor. He certainly does not cherish the propsect of being chained to a collective farm, and laboring under the whip of political cadres. The industrial developments of recent years have provided opportunities for an increasing number of people and given rise to a new business and industrial class. The Formosans are both resourceful and industrious. They will be loath to see their prosperous land overrun by Communism, suffer deprivations similar to those found on the Mainland. It is quite certain that Formosans will resist Communist aggression, and that they will defend the offshore islands too. The best evidence of the unequivocal support of the Formosans to the government is the response of young Formosans

701 to military call. Up to now, 90,000 Formosans have been drafted into the army to replace aging Nationalist veterans.[16]

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642 It seems clear that the Formosans do not have much sympathy for the Communists, although they realize that there is little prospect of their island becoming really independent. They also realize that, as more and more of them are being absorbed into the government and as the Mainlanders are aging, it is only a matter of time before they will win full control of the island.[17] They may differ with the Government in regard to its policy of liberating the Mainland, but they take comfort in President Chiang's assurance that it would not take place yet for some years. As more and more Formosans are inducted into the armed forces, more changes will take place in the Nationalist overall policy for the island. The principal aspirations of the Formosans at this moment are: more self-government, greater freedom of expression, and greater economic security. Their immediate apprehension is a runaway inflation. They are fearful that the Nationalist Government might plunge the island into bankruptcy, as it did on the Mainland in the years following the war, paving the way for Communist conquest.

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[16] Time, op. cit., p. 34. 72,000 young Formosans were drafted from February to July 1955.

[17] Manchester Guardian, Vol. 78, No. 13, Sept. 29, 1955, p. 14.

III. ATTITUDE OF THE MAINLANDERS

The Mainlanders are different from the native Formosans in that most of them own property and many of them have a part of their immediate family on the Mainland. They regard their stay in Formosa as temporary. They came to the island with the same implicit faith in the future as that which induced them to evacuate the coastal provinces during the Japanese invasion. They believe that western democracy and Communist cannot coexist for long. Sooner or later showndown fights will occur. They know full well that the Nationalist forces are not strong enough for a full-scale assault on the continent, but they do not despair. It was their strong determination that tided them over the darkest days of war against Japan before Pearl Harbor. The Communist regime will crumble as a result of its own weaknesses, or the Western democracies will be compelled to take drastic action against it. Somehow their dream of returning to the Mainland will come true. It goes without saying that they are one hundred per cent behind the Nationalist government. Unlike the native Formosans, they are prepared to sacrifice their personal freedom for the time being if by doing so their hope of returning to the Mainland will be realized.

When the Mainlanders migrated to Formosa, they had just gone through a long war with Japan. They were bitter toward anyone who had collaborated with the Japanese. They did not realize that

648 the Formosans, unlike the willing collaborators on the Mainland, were in a different position. The Formosan Chinese were forced by circumstance to accept Japanese education and to carry out Japanese orders. At any rate, the unwarranted prejudice of the Mainlanders for the Formosans created a rift between them, and it was the cause of the February 28, 1947 incident. But time has healed such a breach. Meanwhile the Chinese language has replaced Japanese as a medium of education and communication. Some Mainlanders have learned the local dialects, while many Formosans have quickly taken up Kuo-yü, the Chinese national spoken language. Practically every trace of Japanese influence has been eradicated. The lines of distinction between the Mainlanders and Formosans gradually fades away, and, in the course of time, it will disappear totally, especially since so many inter-marriages have taken place. According to the statistics of the Provincial Department of Civil Affairs,[18] the sex ratio of Mainlanders in Formosa in 1952 was 146 males to every 100 females, and the predominance of the former was even greater between the ages of 25 to 55. This figure has not taken into account of 750,000 men in the armed forces. Consequently more and more Mainlander bachelors have been married to Formosan girls. In the survey of 6,609 marriages during the early months of 1953 made in five localities,[19] 15 per

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[18] Arthur F. Raper, etc., op. cit., pp. 239 and 242.

[19] Conducted by F.O.A. Mutual Security Mission to China. Ibid., p. 244.

648 cent of them involved Mainland men and Formosan women, and 0.3 per cent involved Formosan men and Mainland women. Among the 1790 court marriages in Taipei in 1955, 1074 brides were Formosans and 714 were Mainlanders, while 1709 bridegrooms were mainlanders and only 81 were Formosans.[20] However, the majority of the civilian Mainlander population belong to the higher age group.[21] Most of them are married, but their families were broken up at the time of their exodus to Formosa. The strong attachment of the Chinese individuals to their families and their ancestral homes makes it impossible for them to forget the liberation of the Mainland, however remote such an eventuality may appear. "It was quite obvious to all but the blind and the bigoted that the Nationalists want nothing more than to be back in China and to leave Formosa as a loyal and prosperous province with a liberal degree of local autonomy."[22]

IV. ATTITUDE OF THE ABORIGINES

563 The aborigines were the victims of ruthless persecution under Japanese rule. The whole aboriginal population was placed under rigid police control. A 316-mile picket line with electrified wire fences and guard houses girdled the districts where the "savages" dwelt. Yet the Japanese failed to subjugate them. As late as 1930, 190

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[20] Pan-Asia News Alliance, Taipei, dispatch of Jan. 10, 1956.

[21] More than three times as many males as females in the 40-49 group.

[22] H. Maclear Bates, Report from Formosa, London, Eyre & Spottiswoode, 1952, p. 120.

563 Japanese lost their lives in the attempt to subdue a revolt staged by the aborigines. After 1936 the Japanese colonial government tried to assimilate the aborigines: (a) by removing them from their remote mountain homes to small plots of land on the plains where they could be more easily watched and where they might settle down as farmers; (b) by establishing schools within the aborigines' territory. A four-year primary school and some vocational courses were set up for them by the Japanese. This accounts for the fact that a small percentage[23] of the aborigines can speak the Japanese language.

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667 After the restoration of the island to China, the aborigines are no longer called "savages They are referred to as "mountain tribesmen" and addressed as "mountain brethren." The administration of the mountain areas has been transferred from the Police Department to the Civil Affairs Department of the Provincial Government. The areas are divided into 30 *hsiang* (groups of villages) and 192 *ts'un* (villages).[24] The chiefs

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[23] About 30 per cent. "In the east coast town like Hualien, the bus conductresses make their announcements in Japanese, so that even the aborigines will know where to get down." *Manchester Guardian*, *op. cit.*, p. 12.

[24] *T'ai-wan Ti Shan-ti Hsing-cheng* [*Administration of Mountain Areas*], published by the Information Department of Taiwan Provincial Government, Taipei, 1952, p. 15.

563 657 of the rural districts are all elected by the aborigines themselves. They are represented in the Provincial Assembly by three members, two elected by the tribesmen living in mountain areas and one by those living on the plains. One tribesman, Hua Ch'ing-chi, serves as a Commissioner in the Provincial Council. In the 144 elementary schools provided for the aborigines, 17,734 children and 6,032 adults were enrolled in the second semester of 1951.[25] It is said that 71.56 per cent of school age children are receiving education.[26] With the assistance of the Sino-America Joint Commission on Rural Reconstruction, the Nationalist Government is also improving the livelihood and economy of the tribesmen. The number of health stations has been increased. A total of 30 health stations and 120 substations have been set up since November 1949. Efforts have been made to improve the quality of the cattle and to increase the number of hogs in the aboriginal areas A selected number of aboriginal girls are to be trained in sewing and sericulture.[27] The guarding of the mountain areas has been relaxed. In fact,

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[25] Ibid., p. 22.

[26] Chung-hua Min-kuo Nien-chien [Yearbook of the Republic of China] , 1954, p.818.

[27] General Report of J.C.R.R., Vol. IV, 1954, p. 186.

563 many tribesmen are found patrolling the streets in Taipei as members of the local police force. 657 No noticeable friction has ever been reported between the aborigines and other groups. For this the Nationalist government should be given credit. The aborigines are at long last recognized as a part of the community, and some headway has been made to bring about their economic betterment. It is quite natural that they are satisfied with Nationalist rule.

Annex "A," Subparagraph 2a',
Political Background

HISTORICAL DEVELOPMENT OF THE GOVERNMENT

175 Formosa has been the habitat of primitive people and lawless Chinese and Japanese since the dawn of its recorded history. In the early part of the seventeenth century, the Dutch and the Spaniards founded trading posts in Formosa and establishing the first organized community on the island. After a rule of 38 years, the Dutch were forced from Formosa by a group of Chinese who were loyal to the fallen Ming Dynasty (1368-1644). Chinese governmental institutions modelled after those prevailing during the Ming period superseded the Dutch, until the Ming adherents were themselves ousted by the Manchu conquerors.

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631 For two centuries, beginning in 1683, the island of Formosa was a fu or prefecture of the Chinese province of Fukien. In 1887, by imperial decree, it was made a separate province. The island was ceded to Japan in 1895 following the Sino-Japanese War. During the first twenty-five years of Japanese occupation the island was under military rule: the government was preoccupied with the quelling of revolts, and the governors-general were all military men. From 1919 to 1936 civilian officials were chosen as governors-general.

175 631 After 1936, in line with Japan's southward expansion policy, the appointees were all admirals. The administrative system had undergone several revisions, the last revision occurring in November 1943.

631 Under the Japanese, Formosa was divided into five provinces (Japanese shu) and three districts (Japanese cho). The five provinces were located in the western part of the island, each placed under the supervision of a provincial governor. The eastern part of the island, which is mountainous and sparsely populated, formed two districts and the Penghu Islands (Pescadores) the third. The five provinces were subdivided into nine cities (Janapese shi) and forty-five counties (Japanese gun). The counties were further divided into towns (Japanese gai) and villages (Japanese sho). The administrative area of towns often embraced a considerable rural area. All areas not within a city or a town fell within the political boundary of a village. The two districts of eastern Formosa were subdivided into ten counties, and the counties into towns and villages.[1]

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[1] Hideo Naito, Taiwan, a Unique Colonial Record, 1937-38 edition, Tokyo, Kokusai Nippon Kyokai, 1938, pp. 64-74.

631 643 The governor-general was the head of the government-general of Formosa. Appointed directly by the Japanese emperor, he wielded extensive and autocratic powers. He supervised the work of all administrative machinery, nominated all officials under him, and, with the exception of a few of the highest rank such as the governor of the provinces and districts, he could promote or dismiss the officials under him. He appointed half of the membership of the provincial assemblies. He had the right to suspend or cancel orders of the provincial governors, veto measures of the provincial assemblies, and dissolve the assemblies. He could impose on any person on the island, without recourse to the courts, imprisonment up to one year or a fine up to ¥ 200. He was assisted by a director-general of civil administration who supervised the secretariat, the various administrative bureaus, and the Central Research Institute, and an Office of Imperial Affairs which co-ordinated military and civil affairs.[2] When the governor-general was a military man, he was also the commander-in-chief of the armed forces on Formosa. If he was a civilian, he might request the local commander to make use of the military or

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[2] Joseph W. Ballantine, Formosa, a Problem for United States Policy, Washington, D.C., The Brookings Institution, 1952, p. 27.

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643 naval forces for the maintenance of order.

647 Under the governor-general, were a secretariat, several administrative departments, which included home affairs, education, finance, police, communication, agriculture, and industry, and monopoly bureaus and research institutes. There was also an
645 advisory council with forty councilors, all appointed by the governor-general, who was its chairman. The term of office for the councilors was two years. "In case of necessity, however, the governor-general of Taiwan is authorized to relieve any councilor of his post before the expiration of his office term."[3] The prerogatives of the council were "to announce its opinions in reply to questions submitted thereto by the governor-general regarding important matters of administration."[4] The councilors were appointed from among high-ranking government officials and resident citizens "rich in scholarship and experience." "Clearly, this is a purely bureaucratic
646 institution. The people of Taiwan have no representatives in the Japanese Imperial Diet; they have no representative body which takes

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3. The Organization of the Council, Imperial Ordinance No. 248, June 1, as revised on June 28, 1930 by Imperial Ordinance No. 128, Article IV.

4. Ibid., Article I.

646 part in the legislation or administration of the island."[5]

635 On the local level, the provincial governors were appointed by the Japanese emperor upon the nomination of the governor-general.[1] They supervised all the administrative bodies in their respective provinces. They could impose upon any person, without recourse to the courts, a prison term of two months and/or a fine of ¥ 70. There was a provincial assembly in each of the five provinces. The provincial assembly had forty members, one-half of whom were appointed by the governor-general and one-half of whom were elected by the city, town, and village assemblies. The assembly exercised limited powers over the provincial budget, matters of tax collection, and of general finance. The provincial assembly also elected six members, who together with the provincial governor and vice-governor formed the provincial council. In the districts the assemblies consisted of twenty members. The district assemblies had no budgetary power; their functions were purely advisory.

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5. Andrew J. Grajdanzev, Formosa Today, New York, Institute of Pacific Relations, 1942, p. 161.

[1] [During Japanese Control 1895-1945--Analyst]

634 Each county (called gun in the five provinces and shicho in the three districts) was administered by an official whose duty was to police the county. The chief of a county supervised the town and village governments under him.

632 633 City governments were responsible directly to the provincial government in which they were situated, while towns and villages were responsible to the provincial government through the county administration. Mayors of cities, as well as chiefs of town and heads of villages, were all appointed by the governor-general. There was an assembly in each city, town, and village. The city assembly had a membership ranging from twenty to forty and the town and village assemblies had eight to twenty members. One-half of the members of the local assemblies were appointed by the governor of the province and one-half were elected by the qualified electorate. The city assemblies functioned in the same manner as the provincial assemblies. They could act on the city budget and tax matters. They also elected six members to the city council which took the place of the assembly when the latter was not in session. The governor of a province or the mayor of a city held the veto power over the acts of the assemblies. The town and village assemblies were consultative agencies, authorized only "to announce their opinions in

632 answer to questions submitted to them by
633 the local government authorities." The heads of towns and villages had no obligation to seek or to follow the advice of local assemblies. The governor-general could dissolve the assemblies at any level at will.

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641 The exceedingly limited extent of "self-government,[1]" which the Japanese had much publicized, was further minimized by the franchise. Suffrage was granted to all self-supporting male Japanese subjects 25 years of age or older, resident in the relevant districts for more than six months, who have been paying for six months or longer a minimum local tax of ¥ 5.00 a year.[6] Formosan Chinese were counted as Japanese subjects, but because the majority of them paid a city, town, or village tax under ¥ 5.00 a year,[7] the number

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[6] Naito, op. cit., p. 73.

[7] "The small landowners in Taiwan possess chiefly dry land and the majority of them own less than one ko (chio = 2.39 acres). But the village land tax from one ko of dry land is less than five yen and consequently the majority of owners, as well as all tenants and workers, have no right to vote." Grajdanzev, op. cit., p. 163.

[1] [During Japanese occupation from 1895 to 1945--Analyst]

AD1

631 of eligible voters among the Formosan Chinese
666 was extremely small. In 1935, the year in
641 which the so-called local self-government was introduced, there were 40,297 qualified voters among 270,674 Japanese residents, but only 187,155 qualified voters among 4,674,300 Formosan Chinese. The total membership, including government appointees of provincial, district and city assemblies as instituted in 1935, was 252 Japanese and 169 Formosan Chinese. Thus, not only were all administrative offices almost exclusively staffed by Japanese, but even in provincial and municipal representative bodies the Japanese members also far outnumbered the Formosan members.

625 For administrative control of the populace, the Japanese relied upon an elaborate police system. This system[8] comprised a civilian police force, numbering over 12,000 in 1940, supplemented by a special police force of over 5,000, functioning in the areas occupied by the aborigines and by a military police force numbering some 6,000. To facilitate the task of the police force, the old Chinese *pao-chia* system of collective responsibility was revived and strengthened. Approximately ten households formed a *chia* and ten *chia* a *pao*.

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[8] Ballantine, *op. cit.*, p. 28.

625 The Chia-chang [head of a chia] and pao-cheng [head of a pao] were chosen from among the elders of the households concerned; but they were subject to the approval of the provincial and county officials and the police.[9] The term of office was two years. They did not draw any pay and the expenses were levied on the members. The duties of the chia-chang and the pao cheng were many and varied; the principal ones were the maintenance of peace and order and the taking of a local census. They had to report new arrivals and departures, disseminate public information, collect taxes, and report law-breakers. If a crime was committed, these heads were first held responsible, but the whole group shared that responsibility along with the heads. Membership in the mutual responsibility organization was obligatory for all Formosan Chinese and failure to co operate with the group became a matter for the police. Japanese residents were not required to become members. The police on Formosa were dreaded by the inhabitants for their ruthless brutality. An interesting analogy can be drawn between the pao-chia in Formosa under the Japanese rule and the inhabitants'

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[9] Since 1936 a knowledge of the Japanese language had been made a requisite for these positions.

625 committee and inhabitants' teams that exist under the Communist regime in Mainland China today. With the efficient espionage built on the pao-chia system, the Japanese were able to control every household in Formosa just as the Communists are using the inhabitants' organizations to maintain an effective check on every household in Communist-dominated China.

635 After World War II, the Chinese govern- 63/ment took over the administration of Formosa and made the island one of the thirty-five provinces of China. However, the head of the provincial government was named administrator-general, and he was also commander-in-chief of the garrisons. The administrator-general exercised considerably wider power than a provincial governor; he supervised both the work of provincial machinery and the administrative functions assumed by the central government in the province. This arrangement was intended to be a temporary one during the period of the transfer of

631 authority.[10] The administrator-general was 635 assisted by a secretary-general. There were nine departments in the provincial government which included the secretariat, civil affairs, education, finance, agriculture and forestry, industry and mining, communications, police, and accounts. In addition, there were the food bureau, the bureau of monopolies, and the trade bureau.

631 The five provinces of Taipei, Hsinchu, Taichung, Tainan, and Kaoksiung and the three districts of Taitung, Hualien, and Penghu were converted into eight hsien [counties], each under a hsien-chang [magistrate], and the nine cities -- Keelung, Changhua, Tainan, Chiayi, Kaohsiung, and Pingtung -- in the five provinces were brought under the direct control of the provincial government at Taipei. Two new cities, Yilan and Hua-lien, were established and were placed under the

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[10] T'ai-wan Min-cheng Ti-i-chi [First Collective Report on the Civil Affairs of Taiwan], published by the T'ai-wan Sheng Hsing-cheng Chang-kuan Kung-shu Ming-cheng ch'u [The Department of Civil Affairs of the Office of Administrator-General], Taipei, May 1946, p. 104.

631 jurisdiction of the *hsien* government in which they were located. The *hsien* were subdivided into *chen* [town] and *hsiang* [rural districts]. Towns and rural districts were further subdivided into *ts'un* [villages]. The cities were divided into *ch'ü* [districts, or sections] and *ch'ü* into *li* [wards]. A *ts'un* is composed of one hundred to two hundred households, and a *li* from one hundred fifty to three hundred households. Under the *ts'un* and the *li* is the smallest community organization, the *lin* [neighborhoods], consisting of six to fifteen households. *Ts'un* and *li* correspond to the former *pao*, and *lin* to the former *chia*, the designations having been altered to obliterate the unhappy associations the former names held for the people who were forced to live under the old system of *pao-chia* with its unrestrained police powers.

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631 Elections of local representative bodies took place in 1946. Franchise was extended to all citizens of both sexes over twenty years of age. Approximately 91.80 per cent of the eligible voters registered for voting.[11] The

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[11] Total number of registered voters was 2,409,560, *First Collective Report on the Civil Affairs of Taiwan*, p. 139.

666 election of hsien and city assemblies was
631 completed before April 7 and the provincial assembly (called the Provincial Political Council) was formally inaugurated on May 1. Although the functions of the local assemblies were principally consultative, they represented a great improvement over the Japanese system in two ways: first, the base for suffrage had been extended to include a greater number of voters, and, secondly, all the members of the assembly were elected. The election of district heads, magistrates, and mayors was deferred, because the authorities asserted the people at that time lacked administrative experience to undertake the work.[12]

635 After the local insurrection of February
655 7, 1947, the provincial administration was brought into conformity with that of other provinces of China. The post of administrator-general was abolished. A provincial council of fourteen members or commissioners, with the governor as chairman, was established. Half of the provincial commissioners were chosen from local residents, the Formosan Chinese. The monopoly bureau, whose restrictive activities were immediately responsible for the outbreak of riots, was

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[12] Ibid., p. 103.

636 abolished. A new tobacco and wine bureau was
655 created and placed under the finance department.
A camphor company was formed under the
department of reconstruction (industry and
commerce), and a bureau of supply replaced
666 the trading bureau. In 1950 the number of
provincial commissioners was further increased
to 23, of whom seventeen were Formosan
Chinese. Local elections were held in 1950
and 1953-54. Members of assemblies of rural
districts, towns, cities, and hsien and heads of
villages, rural districts, and towns, such as
mayors and magistrates, were all elected by
direct vote. Members of the Provisional
Provincial Assembly[13] were elected indirectly
by the various hsien and municipal assemblies
in 1950. In the second election of 1953-54,
they were directly elected by the people.
(Details of the organizations of the provincial
and local government as well as the popular
elections, will be considered in another chapter.)

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[13] "Local self-government in Taiwan is, for the time being, confined to the hsien and municipal level. Since the provincial government is still under the direct control of the Central Government, the principal council is known as the Provisional Provincial Assembly; China Handbook, 1954-55, Taipei, China Publishing Co., 1954, p. 469.

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631 Toward the latter part of 1949 the Mainland of China was lost to the Communists. The Central Government of the Republic of China moved to Formosa. Formosa became both the seat of the national government and the provincial government. Thus, two levels of governmental mechanism exist side by side. In order to study the functions of the different branches of the government and the division of power between them, it will be necessary to examine the constitutional provisions and the structural organization of the central, provincial, and local governments.

Annex "A," Subparagraph 2a,
Political Background

CONSTITUTIONAL SYSTEM

642 The Republic of China, which overthrew the Manchu Dynasty, was founded on January 1, 1912, after a successful revolution led by Dr. Sun Yat-sen. Due to the lack of a democratic tradition among the people, no constitutional government followed. The country was torn asunder by ambitous warlords, who waged incessant wars among themselves. National unity was not restored until 1928 when a new government, under Chiang Kai-shek, successor to Sun Yat-sen as leader of the Kuomintang, was established in Nanking and supported by the country as a whole. Dr. Sun Yat-sen laid down a program of political reconstruction for the guidance of his followers,[1] advocating that, following the unification of the country by military success, there should be an interim period of political tutelage in preparation for constitutional democracy.

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[1] Sun Yat-sen, Fundamentals of National Reconstruction (English translation), Taipei, China Cultural Service, reprint, 1952, p. 20.

642During the interim period, the Kuomintang should assume the role of a tutor, directing the national policy and training the people in democratic ways.[2] Accordingly, the Nationalist Government was organized by the representatives of the Kuominantg. But, since it followed closely the pattern conceived by Dr. Sun with regard to the division of powers, the structure of the government did not differ materially from the present government under the new constitution. In 1932 the Central Executive Committee of the Kuomintang passed a resolution, prescribing twenty-five principles, on the basis of which the Legislative Yuan was to draw up a draft constitution. A preliminary draft was completed on March 1, 1934, and the final draft, the "May 5th Draft Constitution," was promulgated by the National Government in 1936. Another plenary

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[2] During the period of political tutelage, the National Congress of the Kuomintang took the place of the People's Congress in formulating government policies. When the National Congress of the Kuomintang was not in session, the political powers were exercised by the Central Executive Committee of the Kuomintang. A Provisional Constitution of the Political Tutelage Period was promulgated on June 1, 1931.

642 session of the Kuomintang called for the convocation of the National Assembly on December 12, 1936. Because of unsettled political conditions, the election of delegates could not be completed in time, and the convocation of the National Assembly was postponed until October 15, 1937.

The Japanese invasion assumed nationwide proportions in July 1937, when several coastal provinces were occupied by the invaders. The national capital was evacuated from Nanking to Chungking. The convocation of the National Assembly becoming impossible, the introduction of a permanent constitution was postponed until the Japanese were defeated.

After the war, a constitutional convention met at Nanking on November 15, 1946. The Constitution of the Republic of China was adopted on December 25, 1946, promulgated by the National Government on January 1, 1947, and scheduled to be enforced on December 25 of the same year. On March 29, 1948, the First National Assembly, composed of 3,048 delegates[3] elected by popular vote in accordance

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[3] The first general election in Chinese history was held on November 21, 1947.

642 with the provisions of the new constitution, was convened in Nanking. Chiang Kai-shek was elected president and Li Tsung-jen vice-president. It also approved temporary provisions in the Constitution granting emergency powers to the president during the anti-Communist campaign.

CONSTITUTIONAL RIGHTS OF THE PEOPLE

In the Chinese Constitution, the freedoms, rights, and duties of the people are enumerated in Articles 7 through 21. They follow more or less the British or American Bill of Rights. But martial law, put into effect since May 19, 1948, has restricted to a considerable extent these freedoms.[4] We shall presently examine the rights of the people as guaranteed by the Constitution and indicate whenever they are affected by the provisions of martial law.

Article 8 of the Constitution protects the freedom of the person. It provides that no person, except in cases of flagrante delicto as provided by law, be arrested or detained except through a judicial or a police agency in compliance with legal procedure. No persons

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[4] Article 8 of the martial law was revised in 1949 by a presidential order.

640may be tried or punished except by a law court in accordance with legal procedure. When a person is arrested or detained on suspicion of having committed a crime, the agency executing the arrest and detention shall inform the said person and his relatives or friends of the cause of his arrest or detention and turn him over to a competent court for trial within twenty-four hours. The person under arrest, or any other individual, may also petition a competent court for a writ of habeas corpus, to be issued within twenty-four hours, demanding the surrender of the person under arrest. However, the Chinese Constitution and laws have not expressly provided whether the right of the writ of habeas corpus should be suspended in case of rebellion or invasion, as public safety may require, as provided in the Constitution of the United States.[5]

Article 9 of the Chinese Constitution provides that except for those in active military service, no person may be subject to trial by a military court. Under martial law, a civilian will be subject to military trial if he is under suspicion of having committed a crime against

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[5] Constitution of the United States of America, Art. I, Sec. 9, Par. 2.

642 The Act of Communist Espionage or the Act of Rebellion.[6]

The inviolability of the domicile and the freedom to change one's domicile are guaranteed by Article 10 of the Constitution, except when a person is domiciled in a military area or in area under compulsory evacuation, as provided by the Air Defense Law.[7]

The Constitution guarantees that the people shall have freedom of speech, freedom of academic instruction, and freedom of publication. A new Press Law was enacted by the Legislative Yuan in April 1952. It provides a system of registration for all publications, including newspapers, magazines, and other printed matter.[8] It stipulates certain cases in which a publisher shall be punished or his publication shall be suspended, such as to attempt to commit or to incite others to commit, crimes of treason, insurrection,

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6. Regulations Governing the Separation of Jurisdiction between Judicial and Military Courts, 1954, Article 2.
7. Air Defense Law, 1948, Article 6.
8. Press Law 1952, Article 9.

642 or espionage; to interfere with the lawful exercise of public functions or voting; to disturb, or to incite others to disturb, public order; and to commit, or to cause others to commit, acts of moral turpitude.[9] The new Press Law also provides that in time of war or emergency, when the government, as authorised by the Constitution, takes measures to deal with any unforeseen crisis, it may ban or limit the publication of certain items which tend to endanger public security, such as military, political, or diplomatic secrets.[10]

The Chinese Martial Law, in force since May 1948, authorizes the military authorities to restrict freedom of speech, academic lectures, newspapers, magazines, pictorial posters, slogans, and other writings and publications deemed harmful to the military cause.[11]

Article 12 of the Chinese Constitution guarantees the people the freedom of private correspondence. But under martial law,

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[9] *Ibid.*, Articles 33, 34.
[10] *Ibid.*, Article 35.
[11] Martial Law, 1948, Article 11.

642 mails and telegrams in time of war may be censored or confiscated by military authorities. The correspondence of a prisoner may be censored or barred by the officer in charge of the prison, at his discretion.[12]

Freedom of religious belief is guaranteed by Article 13 of the Constitution. In schools, no course on religion may be required which might be considered as infringing upon freedom of religious belief. Under martial law, any religious activities that may disturb the public order may be banned by the military authorities.[13]

Article 14 of the Chinese Constitution guarantees freedom of assembly and the formation of associations. However, any assemblage may be dispersed or limited by the military in war time.[14] As to the forming of associations, the Chinese government has encouraged the people to exercise this freedom in professional and trade spheres.[15] Trade and labor unions have been established under the patronage of the government. Labor

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[12] Prison Administration Law of 1947, Article 67, 68

[13] Martial Law, 1948, Article 11.

[14] Ibid.

[15] Wen-jen Tsao, The Constitutional Structure of Modern China, Melbourne University Press, 1948, p. 65.

642 organizations and professional associations are represented both in the National Assembly and the Legislative Yuan.[16] Political parties, if lawfully organized, are given equal status and are allowed equal opportunity to participate in elections. All organizations must be registered with the proper authorities by their sponsors. Whoever joins an association formed with the object of committing or inciting rebellion is subject to imprisonment.[17]

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583 It is definitely stipulated in the Chinese Constitution that all citizens of the Republic of China, irrespective of sex, religion, race, class, or party affiliation, shall be equal before the law. A minimum quota of seats are reserved for women delegates in all representative bodies.[18] And to insure the election of women candidates, votes cast for them are computed separately. There is no religious or racial discrimination in China. A quota of seats in the National Assembly and the Legislature is expressly reserved for "people living in the interior areas," i.e., the minority races.[19]

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[16] Law of Election and Recall of National Assembly Delegates, 1947, Article 4; and Law of Election and Recall of Legislators, 1947, Article 4.

[17] Criminal Code, 1935, Article 154, and Rebellion Act, 1950, Article 5.

[18] Constitution, Article 134.

[19] Constitution, Article 135.

642 The Chinese Constitution provides that the people be given the right to existence, the right to work, and the right to own property.[20] The right of existence implies that the people shall be guaranteed a minimum standard of living. As to the right of work, the state shall provide opportunity of employment to the people who are capable of work, commensurate with their capacity and ability, so that they may render their services to the community and support themselves.[21] The state shall accord special protection to working women and children who work (Article 153) and shall give assistance and relief to the aged, the infirm, the disabled, and the victims of natural calamities. To promote social welfare, the state shall put into operation a Social Insurance System (Article 155).

651 423 642 No one shall be arbitrarily deprived of his property. However, privately owned land and other property are liable to taxation. If any land has an increase in value, through neither the exertion of labor nor the employment of capital, the state shall levy thereon an increment tax, the proceeds of which shall be used for public welfare.[22] The government

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[20] Ibid., Article 15.
[21] Ibid., Article 152.
[22] Ibid., Article 143.

642 may regulate the distribution of land in the
651 interests of the tiller-owner and tenant-
423 cultivators and may limit the amount of land
ownership.[23]

642 Under the Chinese Constitution, any
citizen has the right to present petitions to
694 file complaints, or to institute legal proceedings.
The Law of Petition was promulgated on December 18, 1954. It provides that a person has the right to voice his opinion concerning the policy of the government on matters of public interest to the representative agency or a competent authority, but the petition must be in written form and must not interfere with the exercise of judicial functions.[24] Any citizen may file a complaint against a wrongful decision on the part of a government body. The prescribed procedure is for the injured party to bring his complaint to a higher government body such as the provincial government, if the case is caused by an administrative act on the part of a hsien or a municipal government.

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[23] Ibid., These provisions are inserted in accordance with the equalization of land ownership, one of the basic policies of Dr. Sun Yat-sen.

[24] Law of Petition, 1954, Articles 2-6.

642 If he is not satisfied with the decision of the
694 provincial government, he may file a further complaint with the proper department of the Central Government. If the charge is agains a wrongful decision, the decision on the secc complaint by a superior government body will be final. But if the complaint is against an unlawful decision or an illegal execution, the dispute may be referred to the administr court for final judgment.[25]

642 The Chinese Constitution provides that
871 the people shall have the right to receive as well as the obligation to accept public educat The state has the responsibility of providing the necessary educational institutions so tha all the people may have a chance to receive elementary education; and the state may compel children of school age to attend scho Articles 159 and 160 of the Constitution specify that all citizens shall have an equal opportunity to receive education and that primary education shall be free of charge. Children from poor families shall be supplie with textbooks at the expense of the governm

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25. Law of Administrative Procedure, 19 Article 1.
26. Constitution, Article 21.
27. Constitution, Article 160.

642 According to Article 23 of the Constitution, [illegible] other persons, to avert an imminent crisis, to maintain social order, or to improve general welfare. One condition under which civil liberties may be restricted is during the time of declaration of martial law by the president; another is the exercise of the emergency power granted the president in the temporary provisions adopted by the first session of the National Assembly.

SUFFRAGE AND THE RIGHT TO HOLD OFFICE

644 642 Any citizen of the Republic of China over twenty-years of age has the right to vote. All elections stipulated in the Constitution, except as otherwise provided, shall be universal and by secret ballot.[28]

Any citizen over the age of twenty-three years has the right to be elected in office, except as otherwise provided by law. All candidates in the election prescribed by the Constitution shall openly campaign for election. Intimidation and material inducement

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28. *Ibid.*, Article 129.

666 are strictly forbidden, and disputes concerning [illegible] [illegible] [illegible] [illegible] the president and vice-president are elected by the National Assembly, and the members of the Control Yuan are elected by the provincial and municipal assemblies. In local elections of 1950 and 1953-54 on Formosa, the magistrates, mayors, and members of the provincial hsien and municipal assemblies were directly elected by the people in secret ballot. The Constitution also provides that a person after being elected may be recalled by the constituency (Article 133). Beside the rights of suffrage and recall, the people also possess the rights of initiative and referendum. However, although the Constitution states that the exercise of the rights of initiative and referendum shall be prescribed by law (Article 136), no law in this regard has been promulgated.

In the selection of public functionaries, the Constitution specifies that a system of competitive examinations shall be enforced, quotas of candidates shall be prescribed severally according to provinces and areas, and examinations shall be held by regions. No person may be appointed to a public office unless he has been qualified through

640 examinations.[29] Ever since A.D. 132 [illegible] government. This provision simply confirms an age-old Chinese practice. In 1953, several civil service examinations were held. In the examination for civil service employees and for professional practitioners and technicians (lawyers, physicians, etc.), 2,400 persons participated in the higher examinations and 988 persons passed. In the general examinations, 155 out of 1,150 participants passed.[30]

In order to qualify for public office, Formosan-born Chinese took a special civil service examination in 1954, at which time

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[29] Constitution, Article 85.

[30] A high-school graduate is qualified to take the general examination. A college graduate or one who has successfully passed the general examination may participate in the higher examination. Those who have passed the general examinations may fill clerical positions, and the successful candidates of higher examinations may fill higher posts in the government.

647 84 persons passed the higher examination and [illegible] [illegible] [illegible] Those who passed the examinations were eligible for promotion. Telegraph and other public utilities are state enterprises and their employees are considered public functionaries.

INTERPRETATION AND AMENDMENT OF THE CONSTITUTION

648 In a democratic country, the most important function of a written constitution is to safeguard the political or public rights of the people. Although the rights and freedoms of the Chinese people are defined in the Chinese Constitution, there is no well-established glossary of legal concepts. For example, just what is meant by "freedom of speech?" What are its dimensions and how far may it be restricted? Such questions will continually demand earnest discussion. Since the Constitution provides that individual freedoms and rights may not be curtailed or restricted by legislation, except in consideration of the social interest and general welfare (Article 23), we must ask what, exactly, constitutes "social interest" and "general welfare"? It is obvious that the guaranty of freedom may be infringed upon if the meaning and scope of social interest

[illegible] or general welfare are not judicially [illegible]

In Article 173 of the Constitution, it is provided that the "Interpretation of the Constitution shall be undertaken by the Judicial Yuan." Laws that are in contravention of the Constitution shall be null and void. When doubt arises as to whether or not a certain law is in contravention of the Constitution, the Judicial Yuan is to render its opinion thereon.[32]

Amendments to the Chinese Constitution may be made in the following manner. When the National Assembly is in session, an amendment may be proposed by one-fifth of the total number of the delegates to the National Assembly and it must be passed by three-fourths of the delegates present at a meeting having a quorum of two-thirds of the entire Assembly. When the National Assembly is not in session, an amendment may be drawn up

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[31] Kuan-sheng Hsieh, *A Brief Survey of the Chinese Constitution*, Taipei, China, Cultural Service, 1954, pp. 45-46.

[32] Constitution, Article 171.

and submitted to the National Assembly for consideration at its next session by the Legislative Yuan. Such an amendment must be proposed by at least one-fourth of the members of the Legislative Yuan and resolved by three-fourths of the members present at a meeting having a quorum of three-fourths of the members of the entire Legislature. The proposed amendment to the Constitution is to be published at least six months before the convocation of the National Assembly.[33]

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[33] Ibid., Article 174.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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Annex "A," Subparagraph 2b.1,
Political Background

STRUCTURE AND FUNCTIONS OF THE CHINESE NATIONAL GOVERNMENT

642 186 The Chinese Nationalist Government is a democratic republic. The national flag has a red background which denotes the spirit of liberty and sacrifice, a white sun with twelve points, which represent twelve hour-periods of day, symbolizing unceasing progress, and a blue sky which signifies equality and justice for all.

I. THE NATIONAL ASSEMBLY

646 The existing Chinese government derives its powers from the National Assembly which, according to the Constitution, exercises political powers on behalf of the people. (A chart showing the organization of the Chinese national government is appended at the end of the present chapter.)

The delegates to the National Assembly are elected on the basis of regional and vocational representation. There should be at least one delegate from each hsien or municipality. When the population of a hsien or a municipality exceeds 500,000, there should be one additional delegate for each additional 500,000 . The number of delegates to be elected by occupational groups (trade unions and professional associations), as well as by racial minorities, are "prescribed by law."[1] The first National Assembly, elected in November 1947 before the Mainland of China was overrun by the Communists has 3,045 delegates.

The functions and powers of the National Assembly are enumerated in the Constitution[2] as follows: (a) election of the President and the Vice-President, (b) recall of the President or the Vice-President, (c) amendment of the Constitution, and (d) ratification of Constitutional amendments proposed by the Legislative Yuan.

Delegates to the National Assembly are elected to serve a six-year term. The term of the present Assembly expired in 1954. Because the China Mainland is occupied by the Communists and a new election is impossible,

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[1] Subject to change. The number of representatives may be increased or reduced by legislation before the election.

[2] Constitution, Article 27.

646 the tenure of the First National Assembly has been prolonged by a special act of the Legislative Yuan. The second session of the National Assembly was convened in Taipei on February 19, 1954 and was attended by 1,578 delegates. On March 10, it adopted a resolution to recall Vice-President Li Tsung-jen for dereliction of duty.[3] On March 22, the National Assembly re-elected Chiang Kai-shek as the President and two days later elected Ch'en Ch'eng as Vice-President of the Republic of China.

II. THE PRESIDENT

643 Under the Constitution the President is the head of the State with power to represent the nation in foreign relations. He commands the army, navy, and air force, and promulgates laws and issues mandates with the counter-signature of the President of the Executive Yuan. Subject to the restraints of the Legislative Yuan he exercises the power to conclude treaties, declare war, and make peace. He may declare martial law, and grant general amnesty, pardon, remission of sentences, and

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[3] Li Tsung-jen has been living in the United States since December 1949 and has steadily ignored appeals by the Chinese government and the Kuomintang to return to Free China to direct the affairs of State.

643 restitution of civil rights. In accordance with law, the President appoints and removes civil and military officers, confers honors, and awards decorations.[4]

From the Constitution it may appear that the position of the Chinese President is similar to that of the French President or the British monarch. His decrees are not effective unless they are countersigned by the President of the Executive Yuan (a position corresponding to that of Prime Minister), whose appointment is subject to the approval of the Legislative Yuan. But unlike the French or the British system, the Chinese President is under no obligation, legal or political, to appoint the leader of the dominant party in the Legislature to be the President of the Executive Yuan. Chiang Kai-shek himself is the indisputable chief of the ruling party, the Kuomintang, so he is almost free to appoint anyone personally acceptable to him. Another source of the dominating power that President Chiang Kai-shek wields is his personal control over the armed forces. The air, ground, and naval commands on Formosa maintain their highly

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[4] Constitution, Articles 35-42.

643 autonomous character, and real military control is exercised directly by the President.[5]

645 The tenure of office of the President and Vice-President is six years, with eligibility for a second term. The office of the President is called Tsung-t'ung-fu. Supervising the President's secretariat are a Secretary-General, a deputy Secretary-General, and a Director of Military Affairs (often referred to as Personal Chief of Staff to the President), under whom there are three bureaus in charge of civil affairs, military affairs, and general administration, respectively. Attached to the Tsung-t'ung-fu are a number of tzu-cheng (senior political advisers) most of whom are retired high officials. The present Secretary-General is General Chang Ch'ün, a former Prime-Minister, and General Huang Chen-ch'iu, former Vice-Minister of National Defense, is the Director of Military Affairs.

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[5] Joseph W. Ballantine, Formosa, A Problem for United States Foreign Policy, Washington, D. C., Brookings Institution, 1952, p. 98.

III. THE FIVE GOVERNMENT DEPARTMENTS

642 One of the special features of the governmental organization of the Republic of China is that,. instead of the conventional three political divisions in Western countries representing the legislative, executive, and judicial powers, the National Government of China has five branches. The two additional departments are in charge of the censorial power or the power of impeachment, and the power of examination or the power of regulating the personnel of the government. For tens of centuries preceding the establishment of the Republic, "while the emperor, as the sources of all powers, was the only person rightfully to exercise the legislative, executive, and judicial powers, the power of examination and the power of impeachment, however, were exercised by his Ministers in a way independent of him, to insure an efficient and honest government."[6] Dr. Sun Yat-sen, founder of the Chinese Republic, pointed out in his Fundamentals of National

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[6] Hsieh Kwan-sheng, A Brief Survey of the Chinese Constitution, Taipei, China Cultural Service, 1954, p. 4.

642 Reconstruction[7] that it had been an admirable system and should be preserved in the new Constitution of China. Therefore the framers of the Chinese Constitution have carefully worked out a new system of the division of powers, slicing out of the legislative branch the power of impeachment and out of the executive branch the power of examination of civil servants and delegating these powers to two independent branches of the government. Thus, the Chinese national government has five departments -- the Legislative, the Executive, the Judicial, the Censorial (named Control Yuan), and the Examination Yuan.[8] These five branches of the national government represent five independent political functions from which the new Constitution of China is known as the "five-power constitutional system."

A. The Legislative Yuan

646 The Legislative Yuan is the highest law-making organization in Nationalist China.

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[7] Sun Yat-sen, Fundamentals of National Reconstruction (English translation), Taipei, China Cultural Service, reprint 1952, p. 38.

[8] Yuan, literally meaning a hall, court, or college, is a government department on the highest level.

646 Its members are elected directly by popular vote -- five for each province or municipality -- with a population of less than 3,000,000. Where the population exceeds 3,000,000, there should be one additional member for each additional million persons. Mongolia, Tibet, and other racial minorities as well as professional groups elect their own members to the Legislative Yuan as separately prescribed by law.[9] Any citizen over the age of twenty-three is eligible to be a member of the Legislative Yuan.

The present Legislative Yuan was elected in May 1948. Its total membership is 773, including:

560	representing 35 provinces
62	representing 12 municipalities
22	representing Mongolia
15	representing Tibet
6	representing minority racial groups
19	representing overseas Chinese
89	representing various professional groups
773	Total

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[9] Chinese Constitution, 1947, Article 64.

646 Actually 760 members were elected, of whom 684 members attended the first session at Nanking in 1948. Now 523 members are in Formosa; this number includes 110 new members who[10] fill the vacancies caused by death or deprivations of membership of the members remaining on the Mainland.

The term of office of a member of the Legislative Yuan is three years, with eligibility for re-election. The term of the first Legislative Yuan expired on May 6, 1951, but, in view of the extraordinary circumstances which render a new election impossible, the term of office has been extended several times

The Legislative Yuan has extensive legislating powers, including the sanction of national budgets, ratification of treaties and agreements, adoption of laws, consent or rejection for the nomination of the President of Executive Yuan by the President. In practice, after the government was moved to Formosa, the Legislative Yuan has adopted most of the bills presented to it for consideration with only slight amendments. On a few occasions, such as the government

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[10] There were formerly alternate members, i.e., people who during the election, received the second highest number of votes.

646 proposal to raise the rate of electricity, the bills were first severely criticized and rejected, but they were adopted when the Executive Yuan requested re-consideration.[11]

Although the censorial power is allocated to a different branch of the government, the Legislative Yuan has the right to interpellate the President and the heads of the various ministries and commissions of the Executive Yuan on their administrative policies and activities. This right of inquiry has been frequently exercised by the present Legislature. In one such inquiry, a serious case[12] of corruption involving the Minister of Economic Affairs was bared. Court action ensued and the Minister of Economic Affairs was compelled to resign.

B. The Executive Yuan

645 The Executive Yuan, comparable to the cabinet in other countries, is the highest administrative organ in Nationalist China. All

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[11] The Executive Yuan may request the Legislature to reconsider a resolution only with the approval of the President of the Republic. The President has no veto power, nor has he any power to dissolve the Legislature Yuan.

[12] The case of the Yangtze Lumber Company.

645 the provincial governments and a number of large municipalities[13] are under the direct supervision of the Executive Yuan.

There are eight ministries and two commissions under the Executive Yuan.[14] The President and the Vice-President of the Executive Yuan, together with the eight ministers, two chairmen of the commissions, the ministers and chairmen of the commissions are called the Ministers of State, and five to seven ministers without portfolio form the Executive Yuan Council to which all statutory and budgetary bills, important state affairs, and matters of common concern are submitted for discussion and decision. Assisting the President and Vice-President of the Executive Yuan, and of the other four Yuan, are a Secretary-General and a Deputy
600 Secretary-General. Directly under the

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[13] Twelve large metropolises like Shanghai, Canton, and Peiping are under the direct jurisdiction of the Central Government. Other cities are under the jurisdiction of the provincial government.

[14] Before the removal of the Central Government to Formosa, there were fourteen ministries and ~~three~~ commissions. The reorganization took place in March 1948.

644 Directly under the Executive Yuan there are also a number of subordinate organs. They are: the office of the Comptroller-General, the Government Information Bureau, the Council for United States Aid, the Economic Stabilization Board, the Planning Board, and the Commission on Rationing for the Central Government Personnel.

645 The President of the Executive Yuan or the Premier is nominated and appointed by the President with the consent of the Legislative Yuan, but other members of the Yuan, including the Vice-President, the ministers of various departments and heads of the commissions, and the ministers without portfolio, are nominated by the Premier to the President of the Republic; appointments are made by the latter without consulting the Legislative Yuan. Therefore, legally speaking, the President of the State is responsible to the people as represented by the National Assembly, the Premier (President of the Executive Yuan) is responsible to the President and the Legislature jointly, and the Ministers are responsible to the President and the Premier jointly.

According to the Constitution,[15] the President of the Executive Yuan resigns if an

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[15] Article 57.

645 important government bill is rejected by the Legislative Yuan and his request for reconsideration is overruled by two-thirds of the
643 attending members. The Constitution provides
645 that the President of the Republic, in accordance with law, "appoints and removes civil and military officers,"[16] but it is not definitely stated whether the President of the Republic may dismiss at will a President of the Executive Yuan whom he has appointed with the consent of the Legislative Yuan. However, the President could always compel the Premier to resign by refusing to sign the decrees or orders presented by the latter for promulgation. So far no such case has occurred. There is no collective responsibility. The Premier alone is responsible to the Legislative Yuan. Theoretically, the Ministers of State do not have to resign in bloc when the President of the Yuan resigns; however, in practice, a new Premier has been free to choose new personnel to fill all the Ministerial posts. In the last reorganization of the Executive Yuan only one minister and one chairman of a commission[17] and four ministers without portfolio retained their posts.

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[16] Article 41.

[17] George Yeh, Minister of Foreign Affairs, and Cheng Yin-fun, Chairman of the Overseas Affairs Commission.

C. The Judicial Yuan

692 The functions of the Judicial Yuan
642 according to the Constitution[18] are: (a) the interpretation of the Constitution and other laws and decrees; (b) the adjudication of administrative suits and disciplinary punishment of public functionaries. In other countries the last-named functions -- jurisdiction over administrative cases and disciplinary actions against government employees -- normally fall within the authority of the administration.

The President and Vice-President of the Judicial Yuan are nominated and appointed by the President of the Republic with the consent of the Control Yuan. They with a number of Grand Justices form the Council of Grand Justices.[19] The Council of Grand Justices is charged with the power and responsibility of interpreting the Constitution. It is also concerned with the interpretation of laws and ordinances with a view to adjusting

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[18] Constitution 1947, Articles 77 and 78.

[19] According to Article 3 of the Organic Law of the Judicial Yuan, the Council of Grand Justice is to be composed of seventeen judges of high standing. Twelve of them were appointed in 1948 but only two accompanied the National Government to Formosa. Seven new justices were appointed in 1952.

692 642 differences and bringing about their uniform application. The tenure of office of a Grand Justice is nine years.

692 Under the Judicial Yuan there are the Supreme Court, the Administrative Court, and the Committee on the Discipline of Public Functionaries. The judicial system in China is based upon the principle of three trials in three grades of courts -- the District Court, the High Court, and the Supreme Court. The Supreme Court is the highest tribunal of the land. It consists of a number of civil and criminal divisions,[20] each of which is formed by a presiding judge and four associate judges. The judges are appointed for life, and they are above party affiliations.[21]

The Administrative Court is concerned with legal procedings against government agencies. Any individual who is convined that his proper rights or interests have been injured by an unlawful decision or act of a government agency, and who has failed to receive satisfactory redress from the superior authorities on first and second complaints, may bring the matter to the Administrative Court. The Court, like the Supreme Court, is headed by a President, and consists of several divisions.[22] Each division has a presiding judge and four associate judges. In 1954 there were ninety-six administrative suits, out of which seventy-eight cases were settled. Many of the suits brought before the Administrative Court in that year arose from the implementation of Land Reform initiated in 1953. Others were related to wine and tobacco monopolies, requisition of dwellings for public use, and the confiscation of smuggled goods by the Customs. In all cases the decision was against the government.

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[20] Before the removal to Formosa it had thirteen civil divisions and fourteen criminal divisions. At present it maintains three civil divisions and two criminal divisions.

[21] Constitution, 1947, Articles 80 and 81.

The Committee on the Discipline of Public Functionaries is composed of a chairman and nine to fifteen members, whose duty is to mete out proper punishment to government officials who have been either impeached by the Control Yuan or referred to the Committee by the competent superior authority. The disciplinary punishment may be suspension or dismissal from office, demotion, reduction of salary, or a warning. Where a criminal law is involved, the case is turned over to a criminal

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[22] Two to three divisions, Organic Law of Administrative Court 1948, Article 3.

692 court. In 1954 there were fifty-one cases involving seventy-two officials of different ranks brought before the committee.

The District Court and the High Court are under the direct supervision of the Ministry of Justice of the Executive Yuan. The judges and procurators are appointed by the Minister of Justice. In principle, each hsien should have a District Court and each province a High Court. In practice, several hsien may share a District Court if their area is small. In provinces, where the area is extensive and the population large, there may be one or more branches of the High Court. Both the District Court and the High Court are under the direction of a President, and the judges are divided into civil and criminal divisions. The district court handles all civil and criminal cases of the first instances; the High Court, both hears appeals against decisions of the District Courts and takes under advisement cases of the first instance of insurrection, treason, conspiracy with a foreign power against the Government, and actions detrimental to the foreign relations of the country.[23] The Supreme Court, which is a part of the Judicial Yuan, is the court of last resort.

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[23] Organic Law Governing the Law Courts, 1932, Article 17.

692. On Formosa a High Court sits in Taipei, a branch High Court in Tainan, and twelve District Courts in the cities of Taipei, Taichung, Tainan, Hsinchu, Chiayi, Kaohsiung, Pingtung, Taitung, Penghu, Yilan, Hualien, and Keelung. There is a Juvenile Court in Hsinchu.

COURT CASES IN 1954*

	Pending and New Cases	Settled in 1954	Pending at End of Year	Pendency#
District Courts				
Civil	81,578	77,111	4,476	50 1/2 days
Criminal	48,555	46,947	1,578	29 1/2 days
High Courts				
Civil	7,649	6,341	1,308	67 1/2 days
Criminal	11,089	9,674	1,415	52 days

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* Source: Report of the Ministry of Justice to the Editors' Committee of China Handbook 1955-56, which is going to press.

# Average number of days required for settlement.

456 Stanford U. S-4. 5 1956 ADI Formosa
ADI

D. The Control Yuan

647 The functions of the Control Yuan are threefold. (1) It exercises a censorial power over the behavior of public functionaries, both in the central government and in the local governments, for dereliction of duty or for violation of law. An impeachment, when instituted, is referred to the Judicial Yuan for displinary action, and if it involves a criminal offense, the case is turned over to the law court. An impeachment of the President or the Vice-President of the Republic by the Control Yuan, however, must be presented to the National Assembly for consideration. (2) Through the Ministry of Audit, the Control Yuan supervises the execution of the government budget. It has the power of investigation before and after public money is spent. It checks receipts and disbursements of government offices and public enterprises, and it examines their final financial statements. The Ministry of Audit reports any irregularity in financial matters on the part of an official or a government body to the Control Yuan, which institures impeachment proceedings. (3) In the appointment of the President, Vice-President, and Grand Justices of the Judicial Yuan, and the President, Vice-President, and members of the Examination Yuan by the President of the State, previous consent of the Control Yuan is necessary. A nominee must pass a Review Committee before

647 being accepted by the general meeting of the Control Yuan.[24]

The members of the Control Yuan are elected by the provincial and municipal councils, the district councils of Mongolia and Tibet, and overseas Chinese groups in the following proportions: five members from every province,[25] two members from every special municipality,[26] eight members each from Mongolia, Tibet, and Chinese nationals residing abroad. The tenure of the members of the Control Yuan is six years. The total maximum membership of the Control Yuan is 223. Actually before the National Government was moved to Formosa, 180 members had been elected. The current membership is 155.[27] Like the members of the Legislative Yuan, members of the Control Yuan cannot be held responsible outside the Yuan for opinions expressed or votes cast in the Yuan, and they cannot be

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[24] Law governing the Application of the Power of Consent adopted by the Control Yuan in June 1948.

[25] Of the five members from each province, one must be a female.

[26] Municipality under the direct jurisdiction of the Executive Yuan.

[27] China Handbook 1954-55, Taipei, China Publishing Co., 1954, p. 168.

647 arrested or detained without the permission of the Yuan.

E. The Examination Yuan

The Examination Yuan is the fifth independent branch of the Chinese National Government. According to the Constitution, its function is "to attend to matters such as examination, appointment, registration, ranking, checking of records, salary scales, promotion and transfer, safeguarding tenures, commendation, compensation, retirement, and pension;[28] in other words, it deals with all affairs pertaining to government personnel.

The President, Vice-President, and a number of members (examining commissioners) of the Examination Yuan are appointed by the President of the Republic with the consent of the Control Yuan. Their term of office is six years. The Examination Yuan has two ministries, one in charge of matters pertaining to examination, and the other in charge of registration of records and review of qualifications of government employees. Several examinations are given each year.

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[28] Constitution 1947, Article 83.

64 Generally speaking, there are two kinds of examinations: (1) to qualify candidates for election to public office or for appointment to government posts and (2) to qualify specialists and technicians for professional practice. The Chinese Constitution expressly stipulates that no person may be appointed to a public office unless he has been qualified through examination.[29] Architects, lawyers, accountants, doctors, pharmacists, nurses, wireless operators, and navigators, in order to obtain their licenses, must either successfully pass a public examination or satisfy the Committee of Review of the Ministry of Examination with sufficient testimony of their educational attainments and past experience. A higher examination and a general examination are usually given simultaneously for each field. High school graduates may take part in the general examination, while college graduates, qualified technicians, public functionaries who have served in the government for three years in a minor capacity, and those who have passed the general examination are permitted to take the higher examination. Those who pass the general examination are qualified for clerical work. Those who pass the higher examination are qualified for higher posts in the government or for professional practice.

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[29] Article 85.

Annex "A," Subparagraph 2b. 2,
Political Background

PROVINCIAL AND LOCAL GOVERNMENT AND POPULAR ELECTIONS

I. THE PROVINCIAL GOVERNMENT

631 635 Formosa was made a province upon its retrocession to China after World War II. The Taiwan Provincial Government holds jurisdiction over the main island of Formosa, twelve smaller islands in adjacent waters, and the sixty-four islands of the Penghu group known to the Western world as the Pescadores. The total area of these islands is 13,880 square miles and the population, excluding the military, was 8,695,843 in February 1955.[1]

The capital of the province is Taipei, which is also the capital of the Nationalist Government of the Republic of China in refuge. The provincial capital, according to a recent air defense plan, will move to Taichung when the necessary construction work in the latter city is completed.[2]

634 Taiwan Province is divided into sixteen administrative areas called hsien (a hsien is roughly comparable to a county in the United States) and five municipalities under the direct jurisdiction of the provincial government. The

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[1] Report of the Department of Civil Affairs, Taiwan Provincial Government.

[2] According to a Taipei broadcast on Dec. 27, 1955, provincial capital was to move to Taichung in April 1956.

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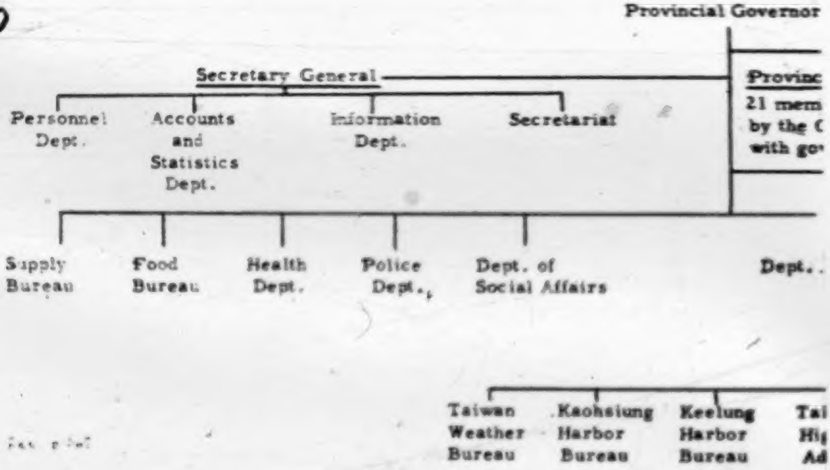
STRUCTURAL CHART OF TAIWAN


Provincial Governor
Secretary General
Personnel Dept.
Accounts and Statistics Dept.
Information Dept.
Secretariat
Provinc
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Supply Bureau
Food Bureau
Health Dept.
Police Dept.,
Dept. of Social Affairs
Dept..
Taiwan Weather Bureau
Kaohsiung Harbor Bureau
Keelung Harbor Bureau
Tai
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[Facing p. 367 - part a]

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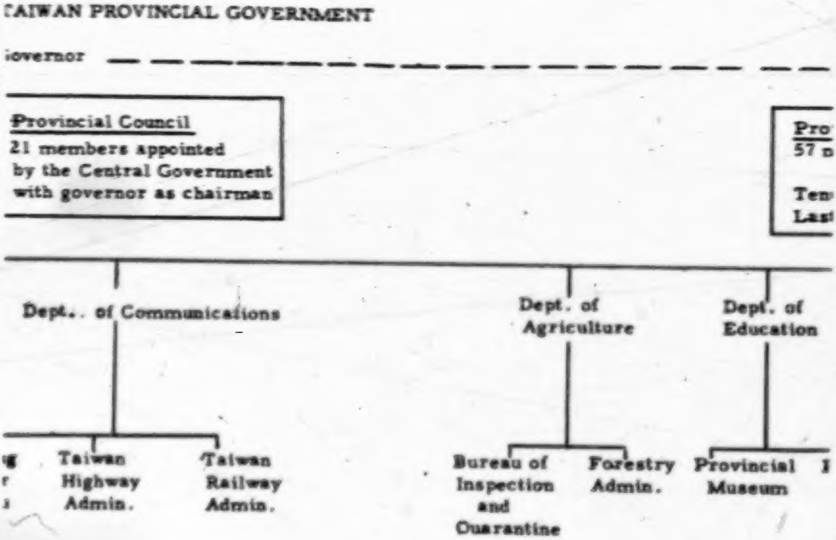
TAIWAN PROVINCIAL GOVERNMENT
Governor
Provincial Council
21 members appointed
by the Central Government
with governor as chairman
Pro
57 n
Ten
Last
Dept. of Communications
Dept. of Agriculture
Dept. of Education
Taiwan Highway Admin.
Taiwan Railway Admin.
Bureau of Inspection and Quarantine
Forestry Admin.
Provincial Museum

[Facing p367 - part b]

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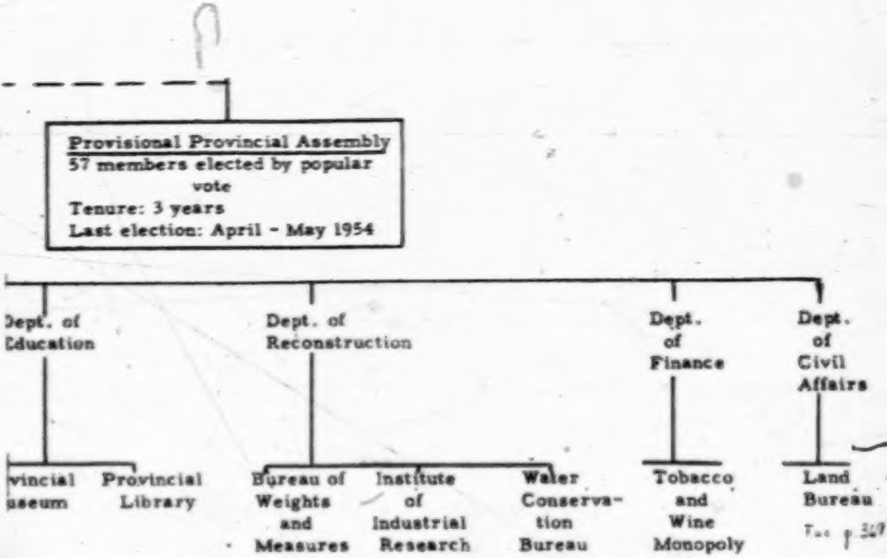
Provisional Provincial Assembly
57 members elected by popular vote
Tenure: 3 years
Last election: April - May 1954
ept. of
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Provincial
Library
Dept. of
Reconstruction
Bureau of
Weights
and
Measures
Institute
of
Industrial
Research
Water
Conserva-
tion
Bureau
Dept.
of
Finance
Tobacco
and
Wine
Monopoly
Dept.
of
Civil
Affairs
Land
Bureau

[facing p. 367 - part c]

634 following hsien are on the western slope of the mountain ranges: from north to south, Taipei, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Nantou, Yunlin, Chiayi, Tainan, Kaohsiung, and Pingtung. Three hsien cover the eastern slope of the mountains; these are Yilan, Hualien, and Taitung. The Pescadores form a separate hsien, Penghu. Two of the five municipalities, Keelung and Taipei, are located at the northern tip of the island, the remaining three, Taichung, Tainan, and Kaohsiung, are on the western side of the island. The scenic resort, Yangmingshan, where President Chiang Kai-shek resides, is a northern suburb of Taipei and forms a special administrative district.

632 The sixteen hsien are each divided into chen (towns) and hsiang (groups of villages or rural districts). Chen and hsiang are further subdivided, respectively, into li (wards) and ts'un (villages). The five municipalities are dividied into ch'ü (districts or sections) and ch'ü are divided into li. A ts'un (village) is composed of 100-200 households and a li (ward) of 150-300. The smallest community organization is called lin (neighborhood) and consists of 6-15 households. In the province of Taiwan there are 82,290 lin which form 3,066 ts'un and 3,489 li. These ts'un and li combine to form 77 chen and 235 hsiang.[3]

631
635 the governor, who is the chairman of the Provincial Council. The Taiwan Provincial Council is composed of twenty-one members, six of whom are concurrently commissioners of provincial departments.

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3. Chung-hua Min-kuo Nien-chien [Yearbook of the Republic of China 1953], Taipei, 11/30/53, p.643.

631
636 The Provincial Council meets once a week to listen to the reports of the various departments of the provincial government and discuss proposals brought up by the governor or the provincial departments. Although resolutions are passed or submitted to the Executive Yuan in the name of the Provincial Council, it appears in actual practice that the powers of the members of the council are limited to deliberation and final decisions do not depend on majority rule. The governor passes or vetoes each resolution.

According to the Chinese Constitution,[4] each province is to enact its own self-government law and the provincial governor is to be elected by the people of that province. In Formosa, since the provincial self-government law has not been enacted, local self-government is at present confined to the hsien and municipal levels. The provincial government remains under direct control of the central government. The governor is nominated by the president of the Executive Yuan and appointed by the president of the Republic The department heads and members of the provincial council are selected by the governor and recommended to the Executive Yuan for appointment.

The Taiwan Provincial Government has a secretariat, headed by a secretary-general, and a number of administrative departments, each

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[4] Constitution, 1947, Articles 112 and 113.

63/635 under a commissioner or a director. The provincial legislature, called the Provisional Provincial Assembly, is the representative body of the people.[5] In 1951 its members were elected by the hsien and municipality assemblies. In 1953 the law was altered to permit direct election by the people.[6] The present assembly, composed of 57 members, was elected by popular vote in April-May 1954. A hsien or municipality with a population of 150,000 or less is entitled to elect one member to the assembly. If it has a population exceeding 150,000, it is entitled to elect one additional member for each additional 150,000. If the remaining population exceeds 75,000, the hsien or municipality may elect another additional member. [562] When a hsien or a municipality elects four or more representatives, one of the members must be a woman. In the present assembly there are six woman members. The autochthonous tribes living on the plains elect one representative, those living in the mountains elect two representatives. The tenure of office of the present assembly is three years.[7]

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[5] So called because the provincial government is under the direct control of the central government, and the provincial council does not exercise full power.

[6] Regulations governing the organization of the Provisional Provincial Assembly, promulgated by the Executive Yuan on August 22, 1953.

[7] The tenure of the First Provincial Assembly, elected in 1951, was two years.

631 Nominally the Provisional Provincial Assembly 636 possesses broad legislative powers. The provincial government has to present to the assembly for discussion and decision all measures affecting the rights and obligations of the people, the provincial budget, and the disposal of public property. However, the prerogatives of the assembly is circumscribed by a provision in the organic law of the assembly that in the event of a disagreement between the provincial government and the provisio al provincial assembly, the former may request a reconsideration.[8] Should the assembly uphold its original resolution, the provincial government may submit the dispute to the Executive Yuan for final judgment. Moreover, when the assembly is in recess, the provincial government with the approval of the Executive Yuan may take any emergency action and report the matter to the assembly at its next session. Since the assembly meets for a period of ten to fifteen days every six months,[9] the provincial government is not seriously restricted by the assembly. The Executiv Yuan has the right to dissolve the Provisional Provincial Assembly and order a new election, if it considers the assembly is acting in contradiction to national policy.[10]

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[8] Article 23.

[9] In case of necessity a session may be extended, but the extension may not exceed seven days.

[10] Article 24 of the Regulations Governing the Organization of the Taiwan Provisional Provincial Assembly.

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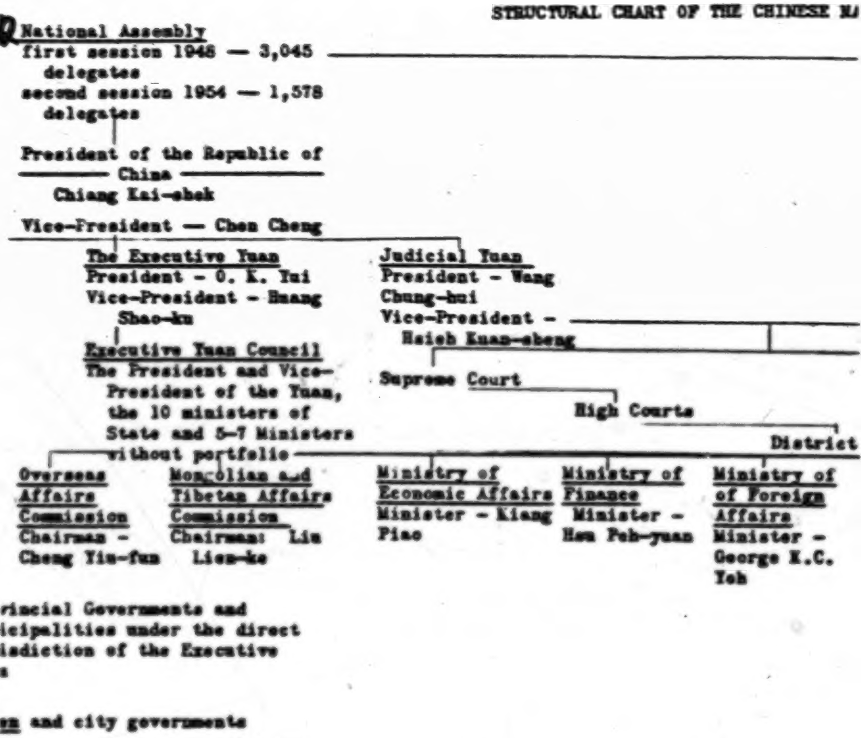
STRUCTURAL CHART OF THE CHINESE NA



National Assembly
first session 1948 — 3,045 delegates
second session 1954 — 1,578 delegates

President of the Republic of China
Chiang Kai-shek

Vice-President — Chen Cheng

The Executive Yuan
President - O. K. Yui
Vice-President - Huang Shao-ku

Executive Yuan Council
The President and Vice-President of the Yuan, the 10 ministers of State and 5-7 Ministers without portfolio

Overseas Affairs Commission
Chairman - Cheng Yin-fun

Mongolian and Tibetan Affairs Commission
Chairman: Liu Lien-ke

Ministry of Economic Affairs
Minister - Kiang Piao

Ministry of Finance
Minister - Hsu Peh-yuan

Ministry of of Foreign Affairs
Minister - George K.C. Yeh

Judicial Yuan
President - Wang Chung-hui
Vice-President - Hsieh Kuan-sheng

Supreme Court

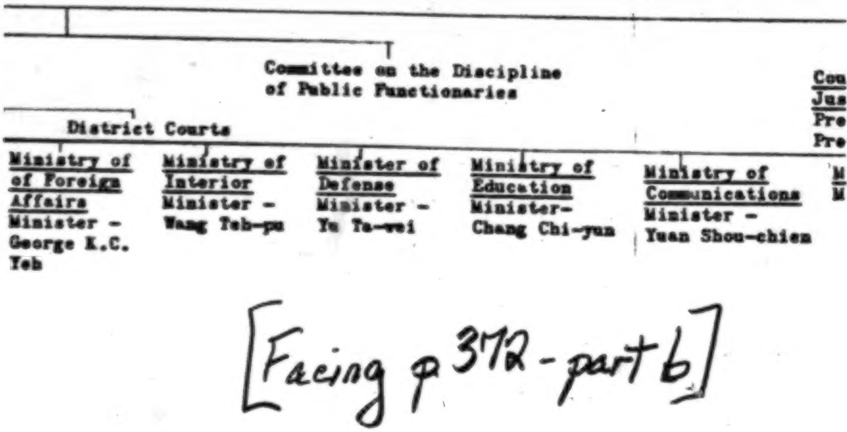
High Courts

District

rincial Governments and
icipalities under the direct
isdiction of the Executive
s

en and city governments

[Facing p.372 - part a]


Committee on the Discipline of Public Functionaries
District Courts
Ministry of of Foreign Affairs
Minister - George K.C. Yeh
Ministry of Interior
Minister - Wang Teh-pu
Minister of Defense
Minister - Yu Ta-wei
Ministry of Education
Minister- Chang Chi-yun
Ministry of Communications
Minister - Yuan Shou-chien

[Facing p 372 - part b]

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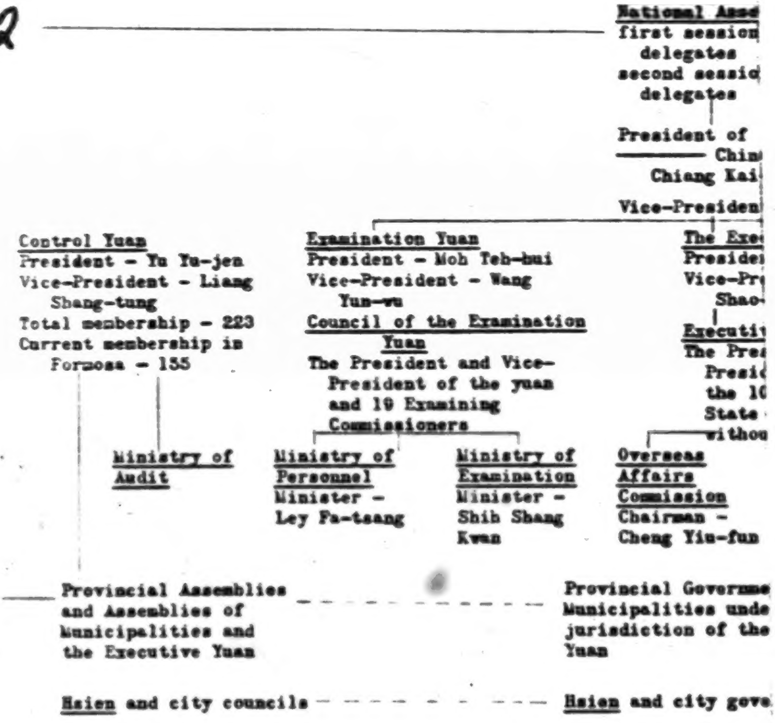
National Asse
first session
delegates
second sessio
delegates
President of
Chin
Chiang Kai
Vice-Presiden
Control Yuan
President - Yu Yu-jen
Vice-President - Liang Shang-tung
Total membership - 223
Current membership in Formosa - 155
Examination Yuan
President - Moh Teh-hui
Vice-President - Wang Yun-wu
Council of the Examination Yuan
The President and Vice-President of the yuan and 19 Examining Commissioners
The Exe
Preside
Vice-Pr
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Executi
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Ministry of Audit
Ministry of Personnel
Minister - Ley Fa-tsang
Ministry of Examination
Minister - Shih Shang Kwan
Overseas Affairs Commission
Chairman - Cheng Yiu-fun
Provincial Assemblies and Assemblies of Municipalities and the Executive Yuan
Provincial Governme
Municipalities unde
jurisdiction of the
Yuan
Hsien and city councils
Hsien and city gove

[Facing p. 372-part c]

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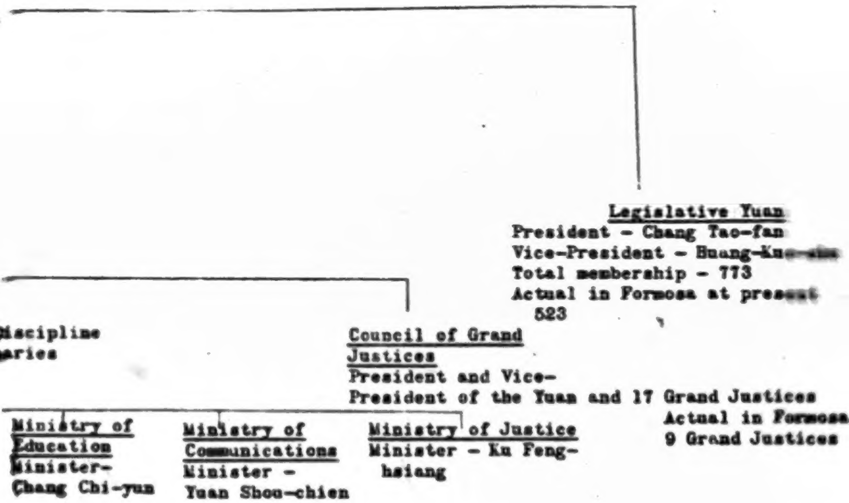
Legislative Yuan
President - Chang Tao-fan
Vice-President - Huang-Ku
Total membership - 773
Actual in Formosa at present 523
iscipline
aries
Council of Grand Justices
President and Vice-President of the Yuan and 17 Grand Justices
Actual in Formosa 9 Grand Justices
Ministry of Education
Minister-Chang Chi-yun
Ministry of Communications
Minister - Yuan Shou-chien
Ministry of Justice
Minister - Ku Feng-hsiang

[facing p. 372-part]

fac. p 372

II. *HSIEN* AND MUNICIPAL GOVERNMENTS

630 The province of Taiwan is divided into 16 *hsien* and 5 municipalities. At the head of each *hsien* government a *hsien-chang* (magistrate) and each municipality is headed by a *shih-chang* (mayor). In the *hsien* or municipal government, there are a number of bureaus in charge of civil affairs, finance, education, economic reconstruction, police, land, and public health. The number of bureaus varies according to the importance of the district and the size of its population. Each *hsien* or municipality has a representative body of the people called the *hsien* assembly or municipal assembly. The subdivisions of *hsien* and municipality are *chen*, *hsiang* and *ch'ü*, each headed by a chief. They have each a representative body of the people called *chen* or *hsiang* assemblies.

631 Local self-government was promulgated in Formosa in April 1950. All members of the councils of towns and rural districts, members of *hsien* and municipal assemblies, the heads of towns, rural districts, mayors of municipalities, and *hsien* magistrates were elected by direct suffrage. A second election took place in 1954. The term of office for magistrates, mayors, and heads of towns, rural districts,

633 and sections of a municipality is three years and the term office for the assemblies and local councils is two years. If a magistrate or a mayor commits a crime or fails to effectively carry out the order of a superior authority he may be dismissed by the provincial government or recalled by a referendum of the voters. In such case, a new election must be held within a month. Similarly, the administrative heads of a town, rural district, or section may be relieved of office by an order of the magistrate or mayor or by a referendum recall.

634 The hsien and municipal assemblies are authorized to decide on all matters related to local self-government (i.e., education, public health, communications, public utilities, and local industries), to sanction local budgets, to audit local expenditures, to decide on the disposal of local public property, to call for administrative reports, to make interpellations, and to issue hsien or municipal ordinances. The assemblies hold a session every four months and no limit is imposed on the length of each session. If the hsien or municipal government should find the resolution of the representative assembly difficult to enforce, it may, with the approval of the provincial government, request a reconsideration. If two-thirds of the attending members of the assembly support the original resolution, it becomes binding. The hsien and municipal assemblies are not subject to dissolution; evidently they possess a much greater latitude of power than the provincial assembly. The citizens' councils of towns and rural districts meet once every three months.

(3) They look after affairs of local interest such as local contributions to public welfare and the relations with neighboring towns and rural districts.[11]

III. POPULAR ELECTIONS

Members of hsien and municipal assemblies are elected on the basis of one representative for every 10,000 persons. The only exceptions are those districts of Hualien, Taitung, and Penghu, where each member represents 5,000 persons. Every tenth member of hsien and municipal assemblies is a women. The minimum membership of each hsien or municipal assembly is fifteen.

Any citizen, irrespective of sex, religion, race, class, or party affiliation, who is over twenty years of age, and has resided in a single district for a period of six months or more, is eligible to vote and hold any local office except that of magistrate and mayor. In the election

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[11] According to the measures for the enforcement of self-government of hsien and municipalities in Taiwan Province (as revised by the Executive Yuan on August 22, 1953), a magistrate or a mayor may be relieved of office by a resolution of the provincial council and with the concurrence of the provincial assembly. A recall motion must be initiated by one-fifth of the electorate and passed by majority of referendum votes.

[illegible] 1950, a candidate for magistrate or mayor had to be at least thirty years of age. In an election held in 1954, other qualifications were added: to be a candidate for the office of magistrate or mayor, a person must either be a college graduate or have passed a senior civil service examination or have met the requirements set by the Examination Yuan. Secret ballots were cast in all elections. The order of the candidates on public notices and on the ballots were determined by lot. For the benefit of those voters who could not read, pictures of the candidates were printed next to their names; thus the voters would have no difficulty in voting correctly for the candidate of their choice.[12]

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635 President Chiang Kai-shek proclaimed three principles on which the government was to formulate the regulations governing elections: a law-abiding spirit, an avoidance of waste, and the election of the good and the capable.[13] Accordingly, candidates were not permitted to spend more than a certain amount of money in campaigning and were forbidden to bribe their constituents or make a campaign issue of the private lives of their opponents. Supervisory offices were established by the Taiwan Provincial Government, which declared that stern measures would be taken against those who "use force, threat or other illegal means

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[12] China Handbook 1954-55, Taipei, China Publishing Company, 1954, p. 473.

[13] Ibid., p. 470.

to interfere with the election campaign of the candidates, obstruct the casting and counting of votes, and hamper the performance of duties by those in charge of the election affairs."14 Generally speaking, the elections were conducted in an orderly manner. No report of election "irregularities" has appeared in newspapers. Mr. Hsü Fu-lin, acting chairman of the Democratic Socialist Party, in answer to the query of an American newspaper correspondent, said that there had been no discrimination against the candidates of his party during the election campaign. A British newspaperman observed that "if Formosan elections cannot be regarded as free by the standards of the West, they have nevertheless been considerably more democratic in character than anything yet known in the Far East outside Hong Kong. The secret ballot prevails, but no candidate fundamentally opposed to the regime would have the temerity to stand for election."15

[161] The Civil Affairs Department of Taiwan Provincial Government reported the population of Taiwan Province to be 8,438,016 at the end of 1953. This number included 741,016 foreign-born (Mainlanders) but excluded military

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14. A General Report Made by Governor O.K. Yui before the Fifth Session of the Provisional Provincial Assembly of Taiwan on Dec. 14, 1953, Taipei, Dept. of Information, Taiwan Provincial Government, 1954, p. 31.

15. H. Maclear Bate, Report from Formosa, London, Eyre & Spottiswoode, 1953, p. 23.

666 personnel. According to the regulation govern-
635 ing the election and recall of assembly members Mainlanders who have resided in Formosa for six months or more have the right to vote and stand for election. Members of the police and military forces and students may vote but are not eligible candidates for office.[16] The number of qualified voters at the end of 1953 was 3,715,552, approximately 45 per cent of the total civilian population.[17] The ratio of actual voters to qualified voters at the time of the two popular elections held in Formosa was as follows:[18]

Election	Year	Percentage of Participation
Provisional Provincial Assembly	1954	74.41
Hsien and Municipal Assemblies	1950	80.73
Hsien and Municipal Assemblies	1953	79.72
Magistrates and Mayors	1950	80.87
Magistrates and Mayors	1954	75.33

The first Provisional Provincial Assembly was elected by the hsien and municipal assemblies. After the first election, the percent of partici-

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[16] Tai-wan Sheng Cheng-fu Kung-pao [Official Gazette of Taiwan Provincial Government], Taipei, Secretariat of Taiwan Provincial Government, Autumn issue, No. 48, August 25, 1953, p. 611. [17,18 - next page]

644pating voters decreased slightly, but the actual 635number of people who cast their votes in subsequent elections increased. For instance, in the election of hsien and municipal assemblies the total number of votes cast in 1950 was 2,769,696; the number of votes cast in 1953 totalled 2,961,941. Of a total of 1,846 candidates, 860 members of the hsien and municipal assemblie were elected in 1953. Seventy-four members were women.

631 635 The educational background of local legislators is much lower than that of the members of the Legislative Yuan. Over ninety per cent of the members of the current Legislative Yuan are college graduates; of the 860 members of the hsien and municipal assemblies, only 202 are graduates of universities or technical colleges, 342 are graduates of high schools, and the remainder attended primary schools or were privately tutored.

The occupations of the members of local legislatures have been reported as follows:[19]

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[17] Number of civilian population on Formosa in February 1955 was 8,695,843; number of qualified voters: 3,997,226, according to report of Civil Affairs Dept. of Taiwan Provincial Government.

[18] The China Handbook 1954-55, pp. 474-76.

[19] Reports of the election offices, Dept. of Civil Affairs, Taiwan Provincial Government.

631 635 Farming	273
Mining	15
Manufacturing	31
Transportation	16
Trade	228
Professionals (doctors, lawyers, etc.)	126
Civil Service	104
Others*	67

* Including 39 housewives and 17 retired industrialists and merchants

Of the 860 members of the hsien and municipal assemblies, 806 are native-born and 54 are Mainlanders. The magistrates and mayors elected to office in 1954 are, with two exceptions, all native-born. The exceptions are Kuan-i Hsieh, the mayor of Keelung, the largest port city of Taiwan Province, and the magistrate of Penghu hsien, Yü-lin Li. Hsieh and Li came to Formosa after World War II. The preponderance of Formosa-born candidates elected to the local governments and local assemblies suggests that the Nationalist Government is willing to encourage self-rule in Formosa. After the local election of 1950, one American observer concluded: "That the Taiwanese are making headway toward local political responsibility is clear." [20]

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[20] Fred W. Riggs: Formosa Under Nationalist Rule, New York, Institute of Pacific Relations, 1952, p. 52.

631 At the provincial level, 16 of the 21 members
635 of the provincial council are native-born, and the secretary-general, the commissioners of the provincial departments of civil affairs and reconstruction, and the directors of the department of health and the food bureau are natives of Formosa. It seems likely that as Formosa-born persons gain experience in government they will demand broadened jurisdiction for the provincial assembly and the election of a Formosan as governor of the province.

Annex "A," Subparagraph 2c, Political Background

POLITICAL DYNAMICS

642 On Formosa, "Chiang Kai-shek sti[illegible] runs a one-party government, and, in many respects, a one-man government. He is the President of China, Director-General of the Kuomintang, and Commander in Chief of the armed forces."[1]

Ever since the second century B.C. China has been a unified country with a centralized government which might be a benevolent or malevolent autocracy, but the highly centralized policy has held the vast Chinese nation intact for thousands of years. Only during the years when the central government was weak, in times of chaos that the provincial governments asserted their power beyond limits. Dr. Sun Yat-sen remarked in his San-min Chu-i [Three People's Principles]: "The different provinces in China were always under one central government. They were not separate states, neither are they now in such a different position that unified rule is less possible. History tells us

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[1] "Man of the Single Truth" Time, Vol. 65, No. 16, April 18, 1955, p. 32.

642 that whenever the country was unified, we had a time of peace and tranquility, and whenever the country was split, we had anarchy."[2] Federal system, such as existing in the United States, in which vast powers are reserved to the local constituents, is alien to the Chinese conception of government.

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631 It is true that the Constitution of the Republic of China has devoted five articles[3] to the enumeration of the powers of the central and local governments, but it does not attempt to define the relation between the central and local governments. What those articles attempt to do is the distribution of administrative duties among the different levels of government according to expediency or convenience. Generally speaking administrative duties are distributed on the principle that whatever can most efficiently be done by the central government will be distributed to the central government. Provincial and hsien governments handle only matters of local interest and anything else that

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[2] Dr. Sun Yat-sen: Discource on Democracy, San-Min Chu-i [The Three People's Principles].

[3] Constitution 1947, Articles 107-111.

642 the central government may assign to them.
631 The central government has the power of redemarcating the administrative divisions of the country at any time. For instance, before the last world war, Manchuria consisted of three provinces, but after the war the number of provinces was changed to nine. In normal times, the central government retains legislative and supervisory powers over practically all matters, and so far no occasion has arisen to call for the redefining of relations between the national and local governments.

631 On Formosa, since the loss of
635 Mainland China to Communism, a peculiar situation has been in existence. Taiwan Province has become the only territory over which the national government of the Republic of China exercises effective control. Two levels of governmental mechanism -- the central government and the provincial government -- have been operating side by side. Except the departments of foreign affairs and defense, administrative functions of all other departments of the central government are overlapping with those of the provincial government. Many foreign visitors are under the impression that most of the administrative powers of the provincial government are being exercised directly by the central government and that only limited residual powers are left to the provincial government. But the facts do not seem to

631 635 substantiate this contention. For instance, in the realm of finance, all taxes with the exception of customs duties, are collected by the provincial government. The Bank of [652] Taiwan, a provincial bank, takes over all the functions of the central bank. It issues currency notes, supplies foreign exchange, and acts as the fiscal agent both of the national and provincial governments. With 871 regard to education, only the Taiwan National 631 University is under the supervision of the 635 Ministry of Education of the national government. All other schools in the province, including the College of Engineering and the Normal University are under the direct jurisdiction of the provincial government. Actually the different ministries in the national government have undergone so much consolidation after they had been moved to Formosa, that most of them are now maintaining only a skeleton staff.[4]

631 635 The relative importance of the Taiwan provincial government does not, however, diminish the highly centralized authority of President Chiang Kai-shek, for the provincial

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[4] There are now 12,000 employees in the national government vs. 113,000 in the provincial government. Time, op. cit., p. 34.

631 government enjoys no autonomous power. 635 The governor and all the personnel in key positions of the provincial government are all chosen by the President or at least appointed 643 with his approval. Just like the men in high posts of the national government and the military command, only those considered absolutely loyal are appointed by him. President Chiang Kai-shek has often been criticized in his choice of personnel for rating personal loyalty to himself above everything else. This should not occasion surprise if one is familiar with Chinese history. Ever since the earlier Han Dynasty (202 B.C. - 23 A.D.) Confucianism has been the dominant political philosophy of China. Confucius was born in a time of growing political and social unrest. He sought to re-establish order and peace by advocating a beneficent monarchy with all its subjects loyal to the sovereign. Through the milleniums, in the interest of maintaining order and peace as well as perpetuating their rule, Chinese rulers honored and supported Confucius. The emperors always singled out personal loyalty as the criterion for appointment, and President Chiang is merely upholding a deep-rooted political tradition.

Then, China became a republic in 1912. For sixteen long years there were incessant strifes created by different military factions, and chaos gripped the country. With a thousand cadets of the Whampoa Military

643 Academy of which he was president, Chiang started from Canton in 1926 to pacify the country, and in two years he succeeded in establishing a national government at Nanking. In the ensuing years, however, revolts still broke out here and there. As late as 1936, Chiang himself was kidnapped by a former warlord[5] in connivance with the Communists. It was only in the face of Japanese invasion that threatened China's national existence that the country rallied to the support of the Nationalist Government. But, during the disastrous struggle with the Communists after the war, defections were common; even some of Chiang's most trusted commanders turned against him. His profound training in Confucianism together with his unpleasant memory of the recent defections of his trusted men, must have convinced him to value the personal loyalty of his subordinates above every other ~~virtue.~~

Although it could be said that Chiang's insistence on rating personal loyalty over efficiency or integrity might have in some measure contributed to his own downfall on the Mainland,[6] t he same insistence may

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[5] Chang Hsüeh-liang who is interned in Formosa at present.

[6] It is common knowledge that some of his trusted friends and relatives abused Chiang's confidence in them to amass fabulous

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643 constitute the source of his strength. No matter what position Chiang Kai-shek may be holding in the government, his leadership is never disputed. Even during his retirement in his native village in 1949, he was able to conduct military operations against the Communists and direct the evacuation of government and military personnel to Formosa.

645 Another source of President Chiang's political power is his position as Director General[7] of the Kuomintang. The Kuomintang or the Nationalist Party was founded by Dr. Sun Yat-sen. Its predecessors, the Hsing Chung Hui (Revive China Society), the Hui (Common Alliance Society), and the Chung-kuo Ko-ming Tang (China Revolutionary Party), also organized by Dr. Sun, all contributed to the overthrow of the Manchu monarchy. The First National Congress of the Kuomintang was held in Canton in 1924. It adopted Dr. Sun's San-min Chu-i [Three People's Principles] as the creed of the Party. The three principles

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6. (continued) fortunes at the expense of the nation. They are the persons who have identified the nationalist government as a corrupt regime. Chiang Kai-shek himself has always led a life of simplicity, according to those close to him.

[7] Tsung-ts'ai in Chinese.

665 are nationalism, people's rights, and people's livelihood. Nationalism implies the abolition of unequal treaties and restoration to China her full sovereignty.[8] The rights of people include those of initiative, election, recall and referendum. To improve the livelihood of the people, Dr. Sun advocated the equitable distribution of wealth by the following means: assistance to the tiller to enable him to own his land; the suppression of private speculation on urban land; the regulation of private capital by means of progressive taxation, and the development of state capital.

In another work, entitled Fundamentals of National Reconstruction, Dr. Sun Yat-sen outlined the three stages for constitutional government. The first stage was that of the unification of the country by military force. Then it was to be followed by the second stage, that of political tutelage under the Kuomintang. The final stage would begin with

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[8] The limitations on China's sovereignty -- foreign concessions in treaty ports, extraterritoriality, restrictions on tarriff, foreign post offices and wireless stations -- were gradually removed between 1929 and 1943.

665 the adoption of a permanent constitution. Dr. Sun further advocated a "five-power constitution," under which the power of impeachment is taken out of the legislative and the power of selecting civil employees by means of competitive examination is made independent of the executive department. Instead of the customary three branches of governmental powers found in the Western democracies, the Chinese Nationalist Government would have five independent branches,[9] the executive, legislative, judicial, control, and examination.

Thus the Kuomintang had an excellent political program to begin with. Unfortunately, Dr. Sun Yat-sen died in 1925. In the following year, Chiang Kai-shek as Commander in Chief of the Revolution Army undertook to unify the country. His northern expedition was highly successful. In two years Chiang Kai-shek not only brought the whole country south of the great wall more or less under his control, but after a bitter struggle with the radical wing and Communist elements of the Kuomintang also firmly established himself as leader of the party, thus ridding the Kuomintang of Communists and Russian advisers whom Dr. Sun Yat-sen had tolerated. Even since, Chiang has become the archenemy of the Communists.

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[9] In Chinese, Yüan.

665 With the establishment of the Nationalist Government in Nanking in October 1928, the second stage of Dr. Sun's program of political reconstruction -- the political tutelage period -- commenced. In this period, political power was to be assumed by the Kuomintang. The Communist Party was outlawed, and no other political party was recognized. Facing no competition, the members of the Kuomintang gradually were divided into rival cliques. People often criticized Chiang Kai-shek for not taking measures to remedy the situation. They have even blamed him for relying on the cliques to maintain his own supremacy. Instead of training the people to exercise their suffrage, recall, initiative and referendum and to pave the way for constitutional government as Dr. Sun expected, the Kuomintang began to drift away from the people. The deteriorating situation was described by a leading Chinese authority[10] as follows: "The leader of Kuomintang is not only the head of its organization, but actually holds it together. Or to state it in another way, the leader has allowed the party to be segmented so that he alone supplies the link between its several segments. It is in this all-important feature,

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[10] Ch'ien Tuan-sheng: The Government and Politics of China, Cambridge, Harvard University Press, 1950, p. 132.

665 rather than in its doctrine, or in its organization, or even in the social basis of its membership, that one can discover a key to the understanding of the Kuomintang."

665 At the outbreak of war with Japan, the
727 Kuomintang and the Communist Party composed their differences, resulting in a truce. A People's Political Council was established. Leaders of the Communist Party as well as several smaller parties which had pledged their support to the national war effort were chosen to direct a united front against Japanese aggression. However, the political honeymoon did not last very long. As soon as the United States entered the war and ultimate defeat of Japan was assured, hostilities again broke out between the Kuomintang and Communist forces. Minority parties then clamored for the relinquishment of the one-party rule by the Kuomintang. Mediation by the United States, the convocation of the National Assembly, and the adoption of a new Constitution which placed all political parties on a footing of equality, failed to prevent the outbreak of civil war. In the subsequent political and military clashes, the weakness of the Kuomintang became more and more obvious. The party was almost on the verge of total collapse. President Chiang, in introducing a reform program for the Kuomintang in 1950, admitted[11] that the disastrous military

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[11] Addressing the Central Executive Committee of the Kuomintang in July 1950. China Handbook 1952-53, Taipei, China Publish-

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665 727 reverses on the Mainland was not due to the overwhelming strength of the Communists, which would be not strong enough to defeat the Nationalist forces, but due to the Nationalist Party's organizational weaknesses, loose discipline, and low morale.

665 In his capacity as Director General of the Kuomintang, Chiang proposed to reform thoroughly the Party by "getting rid of all factional andpersonal differences." A Central Reform Committee of 16 members was appointed in August 1950 to overhaul the party machinery on Formosa and the party branches in various overseas Chinese communities. At the same time the Kuomintang announced that it would respect the position of and co-operate with all democratic political parties that were anti-Communist in nature in order to struggle together for the salvation of the country and the defense of democracy. The reorganizational work of the Reform Committee was concluded in October 1952. A National Congress[12] of the Kuomintang was held on October 10, 1952. It adopted a political platform for the guidance of the government and formed a Central Advisory Committee with 48 members, and a Central

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11. (continued) -ing Co., 1954, p. 341.

[12] The Seventh National Congress.

665 Committee with 32 members and 16 alternates to direct the affairs of the Party.

Although the Kuomintang has always been the dominating party since the inception of the Nationalist Government in 1928, party membership is not the requisite to appointment to high posts in the government. For instance the present incumbent of the Defense Ministry, Mr. Yü Ta-wei is an independent. Members of two minor parties -- the Young China Party and the Democratic Socialist Party -- have been co-operating closely with the Kuomintang since the end of World War II and participating in the government.

The present membership of the Kuomintang has never been officially disclosed. Even the number of representatives who attended the Seventh National Congress of 1952 was not revealed. In a party report,[13] it was said that "during the past two years [1952-54], more and more young men and young women have joined the Party. More than 40 per cent of the new members are farmers and workers. The members are

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[13] Cited in China Handbook 1954-55, p. 433.

665 divided into about 15,000 small groups to hold bi-weekly meetings to discuss Party work." A private source estimates that, excluding the military personnel, the total membership of the Kuomintang in Formosa is around 80,000. The other two political parties[14] have always kept their membership a secret. But it cannot be too far from the truth to say that membership of each of these parties does not exceed a few thousand. The Young China Party is strongly nationalistic and anti-Communist, while the Democratic Socialist Party advocates democracy and socialism as their political goals.

In the election in 1947 of the delegates to the National Assembly and members of the Legislative Yuan and Control Yuan, special arrangement was made to insure the election of the members of the two minority parties. Tacit understanding was given by the Kuomintang not to compete in certain districts where the smaller parties had announced their own candidates. In Formosa, however, the quota system was not enforced. Hence in the two local elections of 1950 and 1953, the members of the two smaller parties relied on their own merit to compete with the candidates of the Kuomintang and the

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[14] A third small party -- the Democratic League -- has joined the Communists.

65 independents. As a result, only a handful members of the smaller parties were elected. The following table shows the relative strength of the three political parties in various representative organizations in Formosa.

	National Assembly	Legislative Yuan	Control Yuan	Provincial Assembly	Local Assemblies
Kuomintang	1,200	483	70	50	657
Democratic Socialists	61	14	2	2	none
Young China	85	13	8	2	3
Independents	232	73	13	3	268
Total	1,578	583	93	57	928

45.Stanford U. S-4, 5 1956 AD1 Formosa
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665 The above figures seem to bear out the statement that the Nationalist Government is a one-party government and President Chiang Kai-shek as Director General of the Party runs it.[15] The recent reorganization of the Kuomintang by eliminating its undesirable elements has only strengthened President Chiang's control.

The personalities most outstanding in present day Formosa aside from President Chiang are: his son Chiang Ching-kuo who directs the political officers in the army, the Youth corps and the security forces; General Chang Ch'ün, secretary-general to the President and a former Premier, who is the President's closest political advisor; and Vice-President Chen Ch'eng who has been for many years Chiang's chief military lieutenant. All three are capable, hard-working and devoted to President Chiang and his cause. Chiang is 69 and his second term as President of the Constitutional Government

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[15] The Director General [Tsung-s'ai] is virtually invested with broad power over the party. According to Articles 27-30 of the General Regulations of the Kuomintang, he directs the activities of all members, he may veto the resolutions of the National Party Congress and makes the final decision on any resolution proposed by the Central Committee.

45;Stanford U., S-4, 5 1956 AD1 Formosa
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665 of China will expire on May 10, 1960. It remains to be seen whether any of the three possesses the same stature as that of President Chiang Kai-shek and is able to pursue further Chiang's achievement in building Formosa into a strong bulwark against Communist aggression. In a country dominated by a strong leadership, there is always the inherent difficulty of finding an equally eminent successor.

Annex "A," Subparagraph 2d,
Political Background

LAW AND ORDER

I. CRIMINAL CODES AND PROCEDURES

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671 The Criminal Code of the Republic of China was first enacted on March 10, 1928 and revised on January 1, 1935. The revised text came into force on July 1, 1935. The main provisions of the Chinese Criminal Code may be stated as follows:

A. Individual Responsbility. No person shall be held guilty of an offense not expressly covered in the Criminal Code. Chinese jurisprudence does not tolerate the principle of collective responsibility prevailing during the Japanese occupation, under which the family or the village could be held to share in the guilt of any of its members, fathers were punished with their sons for crimes committed by their sons, or the village leader was punished for an offense of a villager.

B. Criminal Liability. An unpremeditated or negligent act shall not be punishable except when specifically made punishable by law. As to the capacity to commit a premeditated crime, insofar as age is concerned, it is provided in the Criminal Code than an act committed by someone under fourteen years of age is not subject to punishment. Where

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the offender is over fourteen and under eighteen years of age, the sentence may be reduced. Likewise, a person judged to be insane is not held accountable for his acts. When a criminal act is committed by a person who is feebleminded, the sentence may be reduced.[1] The Chinese Criminal Code has adopted the principle that the prevention of crime is more important than its punishment. Preventative laws require that juvenile delinquents be detained in reformatories for rehabilitation, insane persons be kept in some appropriate institution for their own protection, opium addicts and habitual drunkards be sent to hospitals for cure, and vagrants be compelled to work.[2] The government is now drafting a set of laws concerning juvenile delinquency, but has not yet presented the statutory bill to the Legislative Yuan for discussion and approval.

C. Suspension of Sentence. The Criminal Code also permits suspension of punishment and conditional release. Whoever during the execution of a sentence of imprisonment shows evidence of repentance may, after having served ten years of his sentences in cases of imprisonment for life or after having served

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1. Articles 18 and 19, Criminal Code, 1935.

2. Wen-yu Tsao, "The Development of Chinese Law," Free China Review, Vol. 3, No. 10, Oct. 1953, pp. 29-31.

681 half of his sentence in cases of imprisonment
671 for a lesser period, be granted conditional release upon application of the prison authorities to the highest judicial administration. The sphere of conditional release has been enlarged by a series of measures controlling convicts, which took effect on August 23, 1954.

The Code of Criminal Procedure was promulgated by the Nationalist Government on January 1, 1935, and enforced on July 1, 1935. The main features of the code may be stated as follows:

693 A. Public Prosecution. The procurator represents the state. He institutes public prose-
671 cution when the evidence obtained during preliminary investigation is sufficient to warrant suspicion of the accused. Public trial may be instituted even if the whereabouts of the accused is unknown.

The Code of Criminal Procedure provides that no complaint may be filed charging offenses against morality or the institutions of marriage and the family except by a particular party such as the lineal descendants by blood of the parties concerned or the spouse, as specified in the code.[3] A procurator need not prosecute cases involving offenses he considers obviously trivial and pardonable.

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[3] Articles 230, 239, 240, Criminal Code, 1935.

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694 B. Private Prosecution. A private person may introduce criminal prosecution. The responsibility for the instigation of prosecution rests upon the aggrieved individual; he is granted the opportunity to avail himself of possible redress in cases where the procurator has not brought charges. Private prosecution may not begin if the procurator has already completed a preliminary investigation in the same case. However, if the procurator knows, prior to the completion of his preliminary investigation, that private prosecution has been instituted, he shall immediately cease investigations and send the case to the court, since two complaints cannot be filed in a single case.

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695 The court shall, upon receipt of a private petition for prosecution, immediately send a copy of the complaint to the accused and notify the procurator of the date set for hearing of the private prosecution; whereupon the procurator may appear in court and express his opinion. The judge will then conduct the trial in accordance with the provisions of the Procedural Code.[4]

C. Advocate and Public Defender. Upon the institution of charges against an individual, the accused may employ one to three advocates. If no counsel has been employed, the presiding judge shall assign a public defender for the accused in cases where the minimum punishment

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[4] Articles 320, 340, Code of Criminal Procedure, 1935.

693 is not less than one year of imprisonment or
695 in cases where a higher court takes jurisdiction as a court of first trial. The public defender system had been in use for some years on the Mainland; and was introduced in Formosa on June 1, 1950.

695 D. Trial and Appeal. Most criminal cases may
692 go through as many as three courts -- the district court, the high court, and the supreme court. The district court handles the first trial of all criminal cases except those for which special provisions have been made by law. The organic law governing courts provides that the high court be given jurisdiction over the first trial for offenses against the internal and external security of the state and offenses against the property or persons of a friendly foreign state.[5]

695 In cases involving the trivial offenses enumerated in Article 61 of the Criminal Code, the court of first trial may, upon application by the procurator, order the sentencing of the offender without observing the usual trial procedure, if the accused has confessed during the preliminary investigation or other evidence sufficient for conviction has been offered the court. Such a sentence is limited to a fine, detention, or not more than six months' imprisonment.[6]

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[5] 5. Article 10, Organic Laws Governing Court, 1932, and Article 4, Code of Criminal Procedure, 1935.

[6] 6. Article 442, Code of Criminal Procedure, 1935.

695 A party not satisfied with the judgment of the lower court may appeal to a higher court. The procurator, advocate, statutory agent, or spouse of the accused may also appeal on behalf of the accused. And a party not satisfied with the verdict rendered by a high court sitting as court of first or second trial may direct his appeal to the supreme court. But no appeal may be taken from the court of second trial to the supreme court for a third trial in cases involving the trivial offenses specified in Article 61 of the Criminal Code.

E. Retrial and Extraordinary Appeals. When the period for filing an appeal has elapsed, or the judgment has been rendered by the supreme court or high court at the final trial, the judgment is final. There is no other remedy for the person convicted except application for retrial or an extraordinary appeal filed in the supreme court by the procurator general, in accordance with the provisions of the Code of Criminal Procedure.

After a judgment is final, an application for a retrial may be made in the interest of the person sentenced only if the original judgment was based on evidence which can be proved to have been forced or altered or where incontrovertible evidence is discovered to prove that the sentenced person is innocent.

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695 Article 434 of the Code of Criminal Procedure provides that if it is discovered after the judgment becomes final that the con-

[Table faces p. 405.]

Criminal Cases in Taiwan Province a/
(1952 - 1955)

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	1952			1955		
Classification of Cases	Number of Cases	Cases Settled	Percentage Settled	Number of Cases	Cases Settled	Percentage Settled
Purse-snatching, pick-pocketing, etc.	101	71	70%	108	96	87%
Murder and Homicide	157	145	92%	174	171	98%
Theft	7,086	4,695	67%	11,414	8,794	77%
Counterfeiting Currency	21	21	100%	8	8	100%
Assault and Battery	391	384	98%	857	806	94%
Fraud, Breaches of Promise and Usury	648	644	99%	1,225	1,178	96%
Misappropriation	174	174	100%	394	383	97%
Offenses Against the Institutions of Marriage and the Family	34	33	97%	133	127	95%
Offenses Against Morals	81	81	100%	174	169	97%
Gambling	12	12	100%	8	8	100%
Sale, Transport, Use of Opium	84	84	100%	238	238	100%
Intimidation and Kidnapping	32	32	100%	56	55	98%
Receiving Stolen Property	132	132	100%	188	188	100%
Bribery, Malfeasance in Office	71	71	100%	152	150	98%
Offenses Against the Exercise of Public Functions	12	12	100%	38	37	97%
Counterfeiting of Valuable Securities	5	5	100%	9	8	90%
Forgery	95	95	100%	135	135	100%
Malicious Accusation	13	12	92%	33	32	97%
Offenses Against Public Safety	117	59	50%	219	137	64%
Mischief	23	23	100%	50	49	98%
Suicide Attempts				870	870	100%
Car Accidents				1,270	1,239	97%
Miscellaneous	968	912	94%	1,339	1,005	75%
Total	10,360	7,838	76%	19,228	15,008	78.4%

a/ Chung-hua Min-kuo Nien-chien [Yearbook of the Republic of China], 1952, p. 695; 1955, p. 790.

[facing p. 405)

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695 duct of the trial was contrary to law, the procurator of the supreme court may file an extraordinary appeal in the supreme court.

674 It should be noted that the number of criminal cases is on the increase. The number reported in 1952-53 far exceeded the number reported under Japanese rule. One writer attributed the increase in the number of criminal cases on Formosa to the mitigation of punishments under the Chinese law and the relaxation of police control.[7] Of course the enormous growth of population is an important contributory cause of the increase in the number of violations. It is generally conceded that the Chinese Criminal Code is impartially administered and leniently interpreted.

697 There are eleven penitentiaries and twelve detention houses in Formosa. Juveniles are confined in the penitentiary at Hsinchu. There have been attempts to improve the facilities and the administration of the prisons in recent years. Wardens appointed to the prison must have had a high school education. The inmates are required to attend citizenship classes for two hours a day. In the workshops they are taught a variety of trades which will fit them for work outside the prison. Twenty-five per cent of the proceeds derived from their work is paid to the prisoners in exchange for their labor. The prisoners have opportunity for daily exercise and undergo physical examinations at regular intervals. Each prison has

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[7] Lih-wu Han, Taiwan Today, Taipei, 1952, p. 47.

697 an infirmary. Efforts have been successful in preventing epidemics and infectious diseases among the prisoners.

697 The number of deaths[8] in prisons and
165 detention houses has been progressively reduced during the past five years although the number of inmates has remained more or less constant. The following table attests to the improved conditions in Formosan prisons.

DEATH RATE IN FORMOSAN PRISONS */

At End of Year	Number of Inmates In Prisons	 In Detention Homes	Total No. of Deaths During the Year
1949	2,909	1,691	70
1950	2,619	1,209	23
1951	3,667	2,043	19
1952	2,906	1,954	13
1953	3,021	2,346	8
1954	—	—	-

*/ Yearbook of the Republic of China, 1953, 1954.

II. THE POLICE SYSTEM

625 The Ministry of Interior of the Executive
635 Yuan exercises general supervision over the

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[8] In 1946 there were 863 deaths caused by epidemics in Formosan prisons. The number of deaths in prison in 1947 was 222 and in 1948, 156.

625 police system of the entire country, but the
635 actual administration of police affairs is delegated to the provincial government.[9] In Taiwan Province, there are twenty-one police bureaus (one in each hsien and city, and one in Yangmingshan Special District), 90 branch bureaus, 202 police stations, and 1,268 substations, all of which are under the direction of the police department of the provincial government.

625 The functions of the police, as enumerated in the Police Law, are: (a) to issue police order; (b) to punish contraventions of police regulations; (c) to assist in the investigation of crimes; (d) to search, detain, or arrest suspects; (e) to execute administrative orders; (f) to preserve order, to regulate traffic, to protect health, to take census, to guard against fire, disaster, moral turpitude, and defacement of private and public properties.[10] The punishment for violating police regulations is limited to a fine under NT$100 or a detention of not more than fourteen days. Criminal cases are sent to law courts for prosecution.

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[9] Police Law 1953, Article 3.
[10] *Ibid.*, Article 9.

(Table faces p. 408.)

Violations of Police Regulations in Taiwan Province a/
(1952 - 1953)

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	1952				1953			
	Number of Cases	Male	Female	Total	Number of Cases	Male	Female	Total
Disorderly Conduct	27,558	30,678	6,541	37,12	28,884	27,990	6,884	29,874
Traffic Violations	14,223	16,222	1,738	17,960	16,380	17,127	2,168	19,295
Moral Turpitude	21,323	38,068	9,431	47,499	28,096	45,283	12,589	57,872
Offenses Against the Exercise of Public Functions	1,204	1,228	129	1,357	1,386	1,306	154	1,460
Violation of Health Regulations	6,330	7,011	1,069	8,080	8,655	8,271	1,396	9,667
Destruction of Evidence, False Evidence and Malicious Accusation	287	267	52	319	189	200	31	231
Offenses Against Personal Liberty and Property	7,785	8,294	1,990	10,284	10,510	10,809	2,444	13,253
Total	78,698	101,774	20,860	122,634	94,639	110,966	25,686	136,652

a/ Yearbook of the Republic of China, 1953, 1954.

(facing p. 408)

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874 The exact number of personnel belonging to the police force on Formosa is not[11] available. According to the China Handbook for 1954-55, the total police force numbered a little more than 20,000 in 1953. There are two schools devoted to the training of police personnel: the Central Police Academy trains officers, the Taiwan Police Academy trains enlisted men. In 1953, ten officers were selected for advanced training in the United States and Japan.

III. MEASURES AGAINST COMMUNIST ACTIVITIES

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648 The Communists in Peking see Formosa as a potential threat to their regime in contradistinction to the Chinese people on the Mainland, who look to Formosa in the hope of ultimate emancipation. As long as Formosa remains free, it is a thorn in their flesh. The Nationalist Government may use the island as a staging area in preparation for an attack on the China Mainland, much as the Allies made use of Britain prior to the invasion of Nazi-dominated Europe. In consequence, Communists never relent in their effort to infiltrate into the island.

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625 The Nationalist Government, alert to the presence of saboteurs and spies, has organized a security network under the direction of Lt. General Chiang Ching-kuo, son of Chiang Kai-shek. The security network is controlled by the

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[11] China Handbook 1954-55, Taipei, China Publishing Company, 1954, p. 184.

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626 Files Office (Tzu-liao Shih), attached to the President's Office (Tsung-t'ung Fu). There are security agencies, called investigation and statistics bureaus, in the Ministry of Defense, the Kuomintang, and the Ministry of the Interior (in charge of police). These agencies operate secretly and are known to have made arrests, conducted trials in camera, and even imprisoned and executed political offenders.

Formosa's public security agency is the Peace Preservation Corps, organized in 1949 for the express purpose of maintaining peace and order on the island. Its main objective is to suppress all subversive activities before they can threaten national security. Detachments of the corps are located at strategic points for the protection of railways, bridges, waterworks, power stations, mines, and industrial plants. Mountainous areas are regularly patrolled by members of the corps, and no one is allowed to enter the mountain regions without express permission. The Peace Preservation Corps also regulates all arrivals and departures from the island to prevent smuggling as well as the infiltration of Communist agents.

[635] The governor of Taiwan Province (ex officio) is nominally the commander of the Peace Preservation Corps, but in fact the corps receives orders directly from Chiang Ching-kuo.

In 1950, an underground Communist organization, whose membership included a deputy chief-of-staff, the wife of the general in

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675 charge of training the new army, and the managing director of the Taiwan Sugar Corporation, was exposed by the Peace Preservation Corps. According to the China Handbook 1954-55, approximately one-hundred espionage cases, involving some 4,500 people, have been uncovered in the past four years.[12] The Pan-Asia Alliance News Agency reported on January 3, 1956 that, according to an official release, Communist agents were most active in Formosa just before the conflict in Korea began, but since the launching of the Counterespionage Campaign in 1950, a number of Communist cells have been discovered. In 1955, two conspiracies were suppressed, although the government report does not give further details. One of these cases may have involved the attempt of Major Kuo T'ing-liang to assassinate President Chiang in May 1955. The case was widely publicized because it resulted in the resignation of General Sun Li-jen, former commander-in-chief of the Nationalist land forces, who had been Kuo's superior for many years.

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In 1951, the Nationalist Government called upon Communists to renounce their affiliation with the Party; in return, they would receive assurance from the government that their life and property would be protected.[13] Several hundred

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[12] China Handbook, 1954-55, p. 184.

[13] Procedures for Communists and Fellow-travelers to Surrender, promulgated on Sept. 16, 1951.

648 668 Communists have since surrendered to the government.[14]

625 64 The tightness of security control and the severity of punishment have gained for Formosa the unpleasant appellation of a "Police State." It might be true that in proportion to the size of the territory and the population the number of secret service men is unduly large. This will be no surprise if we take into consideration the fact that the security agents of the Nationalist Government formerly patrolled all of China, a territory 160 times larger than the island of Formosa, and that when the continent was overrun by the Communists, the great majority of those security men had to withdraw to Formosa, for they, more than other groups, were most hated by the Communists. Nevertheless, the swarming of secret service men in Formosa has created the impression that everyone on the island is being haunted by the shadow of a Police State.[15] It is also possible that some searches and arrests have been unwarranted. But overcaution is inevitable as Nationalist China is at war with a ruthless and unscrupulous enemy. After all, under martial law, persons endangering the safety of a nation may be sentenced to death

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[14] China Yearbook,1953, p.825:203 Communists surrendered between May 1952 and April 1953. China Handbook 1954-55,p.184: "More than 100 Communists gave themselves up in 1953."

[15] [see following page]

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648 or to imprisonment for not less than ten years.

The Nationalist Government has been frequently accused of showing little mercy to its enemies, of "imposing more death sentences than anyone else outside the Iron Curtain."[16] In referring to such criticism, Lih-wu Han, former Minister of Education, explains that the government cannot afford to be other than strict and severe. Extreme penalties are necessary because the safety of the island and its people is at stake. Exposure by the government of Communist espionage clearly indicates the nature and extent of the danger. "The electric plant would have been

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15. "The P. D. (Political Department of the Ministry of Defense) is undermining the Army. Instead of seeing comrades to their right and left, soldiers see political spies marching beside them." Robert S. Elegant, "How Good is Chiang's Army," The Reporter, Vol. 5, No. 13, Dec. 25, 1951, p. 18. "Throughout my stay I was haunted by the shadow of a Police State malevolent in its objectives and far-reaching in its methods." H. Maclear Bate, Report from Formosa, London, Eyre & Spottiswoode, 1952, p. 22.

[16] H. Maclear Bate, ibid., p. 49.

625 648 blown up and water works wrecked if the Communists had had their way. The lives of responsible personages would have been in constant danger, too. Then, the risk of internal trouble during a possible invasion from outside would have been very grave."[17] It appears that, in order to save Formosa from Communist domination, rigid government control may not be entirely indefensible.

722 698 693 During the past few years, as conditions on the island grew more stable, the Nationalist Government has been taking measures to guard against unwarranted arrest and imprisonment. In a decree issued on January 29, 1951, the Executive Yuan prescribed that public defenders should be provided in the military court to defend persons accused of violating martial law in cases where the minimum punishment would be not less than five years' imprisonment. A spouse, lineal blood relative, collateral blood relative within third degree, or a statutory agent may be present at the trial and testify on behalf of the accused.

722 698 Since 1949 Formosa has been subject to martial law. Article 8 provides that the following offenses committed in strategic zones may be tried by the military court: (a) offenses against the internal security of the state, (b) against the external security of the state, (c) against public order, (d) against public safety, (e) forgery, counterfeiting of currency, valuable securities, documents, (f) murder or homicide, (g) restraining personal liberty, (h) snatching, robbery, and piracy, (i) intimidation and kidnapping, and (j) malicious mischief. If provisions

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[17] Lih-wu Han, op. cit., p. 49.

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722 of martial law should be strictly applied, the 698 military court would replace the civil courts of law in Formosa. However, orders issued by the Executive Yuan on June 1, 1952 and reissued on October 14, 1954, restrict the jurisdiction of the military court. The order of October 14, 1954, specifies that military courts have jurisdiction only in those cases involving espionage and insurrection; all other offenses are to be tried in civil court. This order seeks to protect the rights and freedoms of the people of Formosa against infringement by over-zealous, defense-minded militarists.

Annex "A," Subparagraph 2e,
Political Background

FOREIGN POLICY

648 On October 10, 1952 the Kuomintang convened a congress of its members in Formosa at which the party formulated the following foreign policy: [1]

> "In a spirit of independence and self-reliance we will uphold the UN charter, promote international justice, and help preserve world peace.
>
> "We will strive to strengthen our relations with all other anti-Communist countries and do our best to bring about solidarity and closer co-operation among the anti-Communist countries in the Pacific.
>
> "In the interests of the fight against Communism, we are willing to co-operate and trade with those countries which, though having no diplomatic relations with us, do not belong to the Communist bloc."

This policy guides Nationalist China in its foreign relations. The government of the Republic of China has consistently supported the activities of the United Nations and participates in all con-

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[1] Declaration of 7th National Congress of Kuomintang, Oct. 20, 1950.

648 ferences sponsored by the United Nations and its agencies. Because of financial difficulties Free China withdrew from the International Civil Aviation Organization and the World Health Organization in 1950, and from the Food and Agricultureal Organization in 1951. However, Free China was able to send representatives to the Sixth World Health Conference in 1953 and to the International Civil Aviation Organization in 1954.

When the United Nations resolved to resist the Communist invasion of South Korea, Free China offered troops to join the operations against the North Korean aggressors. Again when the war with the Communists was approaching a critical point in Indo-China and the fall of Dien-Bien-Phu was imminent, Nationalist China expressed readiness to send help to the anti-Communist forces. Although neither of these offers were accepted, Free China cooperated with the United Nations in other ways. The Chinese people on Formosa sent medical personnel and supplies to the South Korean camps, sent packages to the troops and wrote letters to Communist Chinese prisoners of war in Korea urging them to quit the Communist cause. A personal message was broadcast by President Chiang Kai-shek to the prisoners at Cheju Island, expressing his concern for their welfare and exhorting them to stand firm in their choice of freedom. The material support given them by Free China was a factor in the decision of 14,209 Chinese POWs to refuse repatriation

648 in spite of Communist coercion.[2] On the day of their release, January 20, 1954, the Nationalist Government sent a team of officers to Korea to escort them to Formosa, where new living quarters -- "freedom villages" -- had been built to accomodate them. Bowing to the general opinion of the United Nations, Nationalist China evacuated Chinese guerrilla forces from the Yunnan-Burma border. These guerrillas had been marauding the Communist border province of Yunnan and had been joined by many refugees who escaped from Communist China. Unable to dislodge them by military means and fearing that Communist China might pursue the guerrillas into Burmese territory, the Burmese government complained to the UN Assembly, which urged Nationalist China to withdraw its forces. Representatives of Burma, Thailand, the United States, and Free China worked out a plan for the evacuation of the guerrillas and the transfer was completed on May 1, 1954.[3]

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[2] Some 98 per cent of the Chinese Anti-Communist POW's chose to live in Formosa.

[3] A total of 6,526 men and their dependents were brought by plane from the Burma-Yunnan border to Formosa. On May 29, 1954, the commander of the Chinese anti-Communist guerrillas in Burma announced the dissolution of his Headquarters, saying that all troops formerly under his command had been transferred to Formosa.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
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648 Nationalist China has steadfastly resisted the efforts of the Soviet Union to unseat her in the United Nations. As long as Formosa officially represents China in the international organization, the ten million Chinese living in Southeast Asia refuse to co-operate with the Peking regime. Soviet representatives have raised the question of China's representation in successive UN meetings.[4] In 1950, having failed to expel Nationalist China, the Russian representation boycotted the Security Council for seven months.[5] Because of the opposition of the representatives of the United States and South American countries, Russian attempts to force recognition of Red China were thwarted each time by an overwhelming majority.[6]

Unable to replace Free China in the world organization, Russia, however, succeeded in smuggling the Chinese Communist regime into international conferences. The Geneva Conference on Korea and Indo-China in April 1954, the Afro-Asian Conference at Bandung in April 1955, and the current Geneva Conference on the ambassadorial level are the results of Communist endeavors to override the legitimate government of China.

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4. Up to the end of 1954, Soviet Russia had raised the subject of Chinese representation in UN Gen"l Assembly and other international gatherings not less than one hundred and eighty times. Chunghua Nien-pao [China Annual], 1954, Vol.1, Taipei, China News Press, Feb.1955, p.10.

5. Russian representative, Jacob Malik, walked out of the Security Council on January

[continued next page]

The National Assembly at its second session on March 25, 1954 declared that "the government and people of the Republic of China will never recognize any international conference without the concurrence of the Chinese government." The foreign minister, George K. C. Yeh, also issued the following statement: "The Chinese Government has no intention of participating in any conference to which the Chinese Communist aggressors will be invited. The Chinese Government and people cannot recognize the validity of any decision affecting their interest which may be reached at such a conference."

The enmies of Nationalist China in the United Nations are not confined to Soviet Russia and its satellites; recently, another group of nations, the so-called neutrality bloc, dominated by India, proposed the recognition of two Chinas and the admittance of eighteen nations into the United Nations. If two Chinas were recognized by the United Nations, Nationalist China would be completely overshadowed by the Communist regime, since Red China is the stronger of the two. It would be tantamount to the replacement of Nationalist China by a Communist regime. In a public address, President Chiang Kai-shek

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5. [continued] 13, 1950, and did not return until August 1, when he was to assume the presidency of the council.

6. Forty-four nations in the UN General Assembly voted in favor of Nationalist China, eleven opposed, and six abstained in September 1955.

648 condemned the idea of two Chinas.[7] He cited an old Chinese proverb: "The loyal and the traitorous cannot co-exist." In view of the avowed policy of the Nationalist Government not to sit at the same conference table with the Communists, it seems certain that Nationalist China will withdraw from the United Nations if Communist China should be admitted.[8]

The question of the simultaneous admission of eighteen new members into the United Nations disturbed the representatives of Free China. Practically all of the member nations, with the exception of Nationalist China and Cuba, endorsed the deal. The United States, which has previously voiced strong objection to the admission of Outer Mongolia, reversed her position before the resolution came to the floor of the General Assembly. Among the proposed members, Nationalist China would have four friends -- Ireland, Italy, Spain, and Portugal.. But eight others -- Albania, Bulgaria, Hungary, Roumania, Nepal, Ceylon, Finland, and Outer Mongolia -- would certainly side with the Soviet Union if the subject of admitting

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[7] Address by President Chiang Kai-shek on the International Situation on February 8, 1955. English translation appears in Free China Review, Taipei, Vol. 5, No. 3, March 1955.

[8] The International News Agency reported on December 26, 1955 from Washington, D. C., that the idea of an independent Formosa has made some progress in the diplomatic world.

648 Red China should be broached at the next session. If Outer Mongolia, a Soviet puppet state "with few, if any, outward appearances of nationhood," [9] and a participant in the aggression in Korea, should be recognized as a full sovereign nation and granted membership in the UN, the admission of Communist China into the UN would follow. However, if Nationalist China should exercise her veto which had not been used before,[10] the government would risk offending many prospective members, whose friendship it did not wish to lose. The resolution was passed by the General Assembly of the United Nations by an overwhelming majority. When the resolution came before the Security Council, the Nationalist Government, fearing that a reversal of its position might affect the morale of people on Formosa and the overseas Chinese, vetoed the entry of Outer Mongolia. In reprisal, Soviet Russia barred admission of Japan into the UN, as Japan had warned Nationalist China the Russians were likely to do. The most influential Japanese newspaper, the Yomiuri Daily, on December 7, 1955, went so far as to say that Nationalist China would be "digging her own grave," should the government

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[9] Time, Vol. LXVI, No. 26, Dec. 26, 1955, p. 16.

[10] Soviet Russia was responsible for 77 of a total of 80 vetoes cast by the permanent members of the UN Security Council.

648 oppose the entrance of Outer Mongolia. The repercussions of this event upon the future of Nationalist China may be far-reaching. In spite of the exclusion of Outer Mongolia, the Soviet bloc in the United Nations increased from five to nine members. To the Afro-Asian bloc, often hostile to Nationalist China, six new members were added. Japan threatened to reconsider her trading policy with Formosa but has since commenced renegotiations in Taipei.[11] Other members also expressed resentment at Nationalist China for defying the General Assembly.[12] What consequence this turn of history will have upon

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[11] Japan is the largest consumer of Formosan sugar, rice, and pineapple, amounting to more than 50 per cent of the total volume of Formosa's foreign trade in 1954. UP correspondent William Miller report on Dec. 27, 1955, from Taipei, "that unconfirmed reports here said Japan has considered not renewing her trade agreement with the Nationalist Chinese after its expiration date next March." On Jan. 2, 1956, Premier Hatoyama of Japan announced that in view of the close diplomatic relations between Japan and Communist China, he had no objection to paying a visit to Peking. Asahi Daily, Jan. 3, 1956, p. 1.

[12] French Premier Edgar Faure said in a campaign speech on Dec. 26, 1955: "Look at the membership veto just made in the United Nations. Is it realistic to consider that China is still represented by Formosa?" United Press, Paris, Dec. 27, 1955.

648 the position of Nationalist China will be revealed when the United Nations reconvenes in 1956.

Free China on Formosa at present maintains diplomatic missions in Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, Colombia Costa Rica, Cuba, the Dominican Republic, Ecuador, Egypt, France, Greece, Honduras, the Holy See, Iran, Iraq, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Panama, Peru, the Philippines, Portugal, San Salvador, South Africa, Spain Thailand, Turkey, the United States of America, and Venezuela.

Diplomatic representation will soon be exchanged with Vietnam. Free China is also seeking to establish diplomatic relations with West Germany, Ireland, Laos, and Cambodia. Negotiations for a military alliance with Korea and Vietnam are pending.[13] Great Britain, in spite of the fact that she has recognized the Peking regime, maintains a consulate in Taipei to look after her commercial interests.[14] Formosa is also trading with the Netherlands and Burma, although neither country maintains diplomatic relations with Nationalist China. On the other hand, Communist

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[13] Negotiations to resume diplomatic relations with West Germany have not been successful, because the latter covets trade with Communist China. Central Daily News, Taipei, Oct.22, 1955.

[14] According to reports of the Inspector of Customs, Formosa's trade with Great Britain, Hong Kong, and Singapore totalled NT$401,000,000 in 1954;trade with the United States was NT$ 380,800,000 in the same year.

648 China has offered lucrative trade agreements to many countries on friendly terms with the Nationalist Government. Each of the nations attending the first Afro-Asian Conference at Bandung received an invitation to visit Peking. It appears possible that Egypt will shift diplomatic relations from Nationalist China to the Communist regime. A trade agreement between Egypt and Communist China to exchange small arms for cotton has been consummated. The next Afro-Asian Conference is scheduled in Cairo in May 1956. Egypt will play host to the Peking regime. The presence of the diplomatic representative of Nationalist China may create problems if Egypt maintains its status quo.

The main efforts of Nationalist Chinese diplomacy are directed toward the formation of anti-Communist alliances in the Pacific. In July 1949, during a visit to President Quirino, President Chiang Kai-shek proposed a closer collaboration between Free China and the Philippines against the Communist menace. In a joint statement on July 11, 1949, they declared that the Far Western countries "should at once organize themselves into a union for the purpose of achieving solidarity and mutual assistance to contain and counteract that common threat." Following his Philippine visit, President Chiang went to South Korea. On August 8, 1949, together with President Syngman Rhee, a joint appeal was issued to President Quirino to convene a conference for the purpose of organizing an anti-Communist alliance in the Pacific. Both the

648 British and American governments were cool toward the idea of forming a military alliance. The conference in May 1950 held at Baguio and attended by representatives from Thailand, Australia, India, Pakistan, Ceylon, Indonesia, and the Philippines, changed its objective to economic and cultural co-operation. Nationalist China and South Korea declined to take part, and the conference concluded without being able to report any substantial achievement.

The invasion of South Korea began on June 25, 1950. Nationalist China immediately offered to dispatch 33,000 troops, but the offer was rejected by the United Nations. President Truman ordered the Seventh Fleet to neutralize the Formosa Strait.[15] As the Communist menace in the Pacific became more manifest, the United States concluded a series of bilateral security pacts with the Philippines, Australia, New Zealand, Japan, and South Korea. Nationalist China was not included nor was she included in the Southeast Asia Treaty Organization. Nationalists feared that the United States might yield to the

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[15] On January 6, 1950, President Truman, in a public statement, declared: "The United States will not pursue a course which will lead to involvement in the civic conflict in China. Similarly, the U.S. Government will not provide military aid to the Chinese forces on Formosa."

648 pressure of Great Britain and the other powers and use Formosa as the price for peace in the Pacific. In December 1953, Nationalist China proposed a security treaty with the United States. The Sino-American Mutual Defense Treaty was signed on December 2, 1954 after a year's negotiation. This treaty forges the last link in "the island chain of the Western Pacific that constitutes, for the United States and other free nations, the geographical backbone of their security structure in that ocean."[16] In a subsequent exchange of notes, Nationalist China promised not to embark on offensive military operations, or to remove military supplies and equipment from the Formosan area, without agreement of the United States.

There is no question that the Sino-American Mutual Defense Treaty has had great value in stabilization of the present position of Formosa. The people on Formosa have complete confidence in the military power of the United States; the United States made it known that it would tolerate no interference from the Communists in the evacuation of military personnel and civilians from the island, and the Communists avoided that area during the evacuation.

There are, however, two factors making for uncertainty in the Sino-American Mutual Defense Treaty. First, Article 10 provides that the treaty may be terminated by either contracting

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[16] President Eisenhower's message to the U. S. Congress on the Formosan situation, January 24, 1955.

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648 power on one year's notice. Although similar provisions are found in treaties the United States has signed with Korea and the Philippines, the people on Formosa are apprehensive that a change in the world situation may cause the United States to abandon the determination to defend Formosa. Since the treaty does not specify a set duration, the United States is free to annul responsibility on comparatively short notice. Secondly, Article 6 states that the territories covered by the treaty are confined to Taiwan and the Pescadores; any extension of the coverage must be made by separate agreement. Although Public Law 4 enacted by the Congress on February 7, 1955 authorized the President of the United States to use armed forces wherever necessary to ensure the security of Taiwan and the Pescadores, the defense of offshore islands, namely Quemoy and the Matsus, is not specifically mentioned. The intention of the United States have never been clarified.

The importance of these offshore islands to Free China is not sufficiently understood abroad. Quemoy and the Matsus are used to block the ports of Foochow and Amoy and harass Red China's coastal trade and they can be used as advance posts in preparation for the invasion of the Mainland. As long as they are retained by the Nationalist Government, the possibility of the liberation of the Mainland is kept alive. The loss

648 of these islands would be a serious blow to the prestige of Chiang Kai-shek's government on Formosa. Chiang Ching-kuo, in answer to a question about Quemoy and the Matsus, said: "The most important thing, the thing that really means life or death to us, is the morale on Taiwan. If we lost the offshore islands, our morale -- the soldiers' and also the people's -- would be very, very low. Our people on the Mainland would feel frustration, and they would begin to believe there is no hope for their liberation."[17]

Moreover, if the islands should fall into Communist hands they would form convenient stepping stones to the Pescadores and Formosa. Their loss would attest to the superior striking power of the Communists and would immediately arouse widespread apprehension on Formosa. It is therefore understandable why Nationalist China attaches great importance to the defense of Quemoy and the Matsu islands, and fervently hopes that the United States will never be a party to the surrender of these strategic outposts to Communism.[18]

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17. Robert P. Martin, "Here's how Chiang's Son Plans to Win Back China," U. S. News, Vol.39, No.23, Dec.2, 1955, p.90.

18. In a press conference on Feb. 14, 1955, President Chiang Kai-shek declared that it was the generally accepted opinion by qualified military experts that defense of Kinmen (Quemoy) and Matsu was essential to the defense of Taiwan and Penghu. Free China Review, Vol.5,No.3, March 1955, p. 57.

Annex "A," Subparagraph 2g, Political Background

PROPAGANDA

PROPAGANDA AGENCIES

208 647 The principal propaganda agencies of the Chinese government in Formosa are the Fourth Section of the Kuomintang Central Committee, which is in charge of publicity, operates newspapers in Formosa and abroad, publishes magazines and books, and promotes radio programs; and the political department of the Ministry of National Defense, which makes frequent airborne leaflet raids and broadcasts daily to the China Mainland. In addition, it runs a motion picture studio, stages plays, operates mobile units which urge the people to support the government, publishes periodicals, and distributes reading matter to the armed forces.

PROPAGANDA POLICY AND ACTIVITIES

Propaganda to the Mainland

208 923 Propaganda is directed to the China Mainland by airborne leaflets and radio broadcasts. In 1954 some 375,000 leaflets were dropped every two weeks over Chekiang,

208 Kiangsu, Fukien, and Kwangtung provinces.
723 Leaflets were also dropped on special occasions, such as the New Year Day, Double Ten National Anniversary, the death of Stalin, the liquidation of Beria,[1] and the arrival of prisoners of war in Formosa. Daily radio broadcasts are made by the Voice of Free China, the air force, the army, and the Cheng-i stations. The Voice of Free China, with 750 kilocycles, is able to reach all parts of China, including Manchuria and Sinkiang.[2]

The propaganda distributed in leaflet form covers a wide range of subjects, including the growing strength of anti-Communist forces, Communist treachery, corruption, extortion, oppression, and massacres, the eventual failure of Russian and Chinese Communists, and so forth. The daily broadcasts contain programs such as, "Everyday Comment," "What to Do," "Whistling," "The Comfortable Home," etc. Experts are engaged to write special features, and distinguished scholars and celebrities are invited to broadcast. The new radio station on Quemoy Island (Kinmen)

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[1] China Handbook, 1954-55, Taipei, China Publishing Co., 1954, p. 265.

[2] Chung-hua Nien-pao [China Annuals], 1954, Taipei, China News Press, Feb. 1955, Vol. II, p. 90.

208 is also making special broadcasts to the
723 Mainland.

The propaganda policy toward the Mainland is to damage the morale of enemy troops and weaken their fighting power as well as to urge the Chinese people not to co-operate with the Communists and to wait for the opportunity to rise against the Communist regime.

Propaganda Directed to the Overseas Chinese

The Kuomintang publishes Chinese newspapers in all parts of the world where there are large communities of Chinese. The Voice of Free China daily broadcasts news items in different local dialects and music programs for the entertainment of the overseas Chinese. Occasionally exhibits depicting Communist atrocities and documentary films showing military maneuvers and industrial progress on Formosa are circulated under the auspices of the Chinese consulates. Special personalities are sent abroad on lecture tours. One such instance was a tour arranged for representatives of the Communist prisoners-of-war who refused to be repatriated to Red China after the Korean armistice.

The purpose of propaganda work among the overseas Chinese is to guard against the growth of pro-Communist sympathies among

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them by publicizing the decline in living standards on the Mainland under Communist control, and to rally support for the reconstruction work in progress on Formosa.

Propaganda in Formosa

In Formosa, stage plays and motion pictures are used for purposes of propaganda. To reach the rural population in far-off districts, mobile units have been organized to bring the people musical programs followed by the performance of a play or the projection of documentary films, interspersed with anti-Communist speeches. Maximum use is made of posters. It has been found that pictorial posters are most effective among illiterate people. Wherever one goes in Formosa, one encounteres slogans painted in huge characters on the walls, posted on every public building, even printed on the labels of beer bottles: "Wrest Back the Mainland," "Liberate Our Brothers," "Crush Communism," "Resist Russia," and "He who does not denounce traitors is a traitor himself."[3]

To military personnel, lectures on the teachings of Dr. Sun Yat-sen are given

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[3] The Manchester Guardian Weekly, Vol. 73, No. 13, Sept. 29, 1955, p. 12.

208 regularly. Periodicals and other anti-Com-
123 munistic pamphlets are distributed free to the armed forces. Among the publications written especially for military personnel are the Soul of the Nation, the Army Reader's Digest, the Light of Victory Pictorial, and Entertainment Monthly, and the Life of National Heroes.

Propaganda activities inside Formosa exhort the people to give full-hearted support to the government in its avowed policy to liberate the Mainland and strengthen the will of the armed forces to fight.

EFFECTIVENESS OF PROPAGANDA WORK

On Mainland China, all radio receiving sets must be registered with the police.[4] There is a strict ban on the reception of programs of foreign origin. As early as 1950 the Communist Liberation Daily urged readers to report those who listened to the Voice of America.[5] Even the children are encouraged

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[4] There are about one million receiving sets in Red China. See chapters on propaganda in the regional handbooks on China.

[5] Chieh-fang Jih-pao [Liberation Daily], Shanghai, Nov. 12, 1950, p. 1.

208 to denounce their parents for illicit listening.
723 In view of the limited number of radio sets and the vigilant ban on reception, it is doubtful that many people on the Mainland would risk imprisonment by listening to the broadcasts from Formosa. At any rate, the radio receivers are owned by people of means, and broadcasts rarely reach the workers or people in rural districts.

For psychological warfare directed to the Mainland, airborne leaflets appear to be effective, and especially so if they are pictorial, in view of the high rate of illiteracy among the masses. In spite of the Communist threat to punish those who do not destroy or surrender leaflets immediately after such material is found, it stands to reason that many of the people will read the leaflets, if only out of curiosity. Leaflets are dropped in both urban and rural areas.

Political work by Free China among the overseas Chinese seems to be highly successful. The general attitude of the overseas Chinese is best reflected in the varying degrees of enthusiasm with which they observe the anniversaries of the founding of the Chinese Republic and that of the Red regime. Even in localities where the authorities have already recognize the Peking Government, and in spite of the efforts of the Communist diplomatic representatives, the Chinese residents display

22 less zeal each year in celebrating the Com-
23 munist National Day. From radio programs and news columns the overseas Chinese are well informed of the ruthless manner in which their kinsmen in China are treated by the Communists. Anti-Communist associations have been organized in San Francisco, Chicago, New York, Mexico, Colombia, Chile, Peru, the Philippines, Tahiti, Korea, Singapore, and Thailand. Many groups of overseas Chinese have pledged moral and financial support to the Nationalist Government.

On Formosa, largely due to the intensive efforts of government propaganda, the people are wholeheartedly anti-Communist. However, some observers are skeptical about the response of the Formosan Chinese to the cause of the liberation of the Mainland.[6] Since Formosa not only serves as the rallying point for all overseas Chinese, but also keeps alive the hope for eventual emancipation of 600,000,000 Chinese people now under the

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[6] "These slogans may have some effect on the youth or on the soldiers from Mainland China, but create very little impression on the adult Formosan, who views them with mild cynicism." The Manchester Guardian Weekly, Sept. 29, 1955, p. 12.

208 Communist yoke, the Nationalist Government 123 feels that it must keep on publicizing the coming liberation of the Mainland, whether or not it has the means to achieve its avowed mission. Because a gigantic military campaign would draw heavily on the resources of Formosa, it is not improbable that a section of the populace might react unfavorably to government propaganda relating to an impending invasion of China. However, in the present state of emergency an opinion adverse to the declared national policy is not tolerated. Consequently there is very little public expression by means of which one can gauge the extent of response if an invasion of the Mainland were to be launched.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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Annex "A," Subparagraph 2h,
Political Background

BIOGRAPHICAL SKETCHES

647 This study has been divided into three sections -- namely, biographical sketches of key personalities in the central government, sketches of important men in provincial and local governments, and sketches of men important in commerce, industry, and in academic life.

When possible, these brief sketches include information as to the date and place of birth, education, experience, general career, and current position. Those selected are considered to be of current importance in political, military, and economic spheres. The limitations imposed by the nature of this study have, in some cases, made necessary the omission of certain personages who were prominent on the China Mainland and now live in semi-retirement in Formosa and promising personalities whose current position may be secondary but who may prove of importance in the future. However, the sketches presented should offer a valuable background to those who wish to become familiar with the men who affect the course of events in Formosa today.

649 In order to save space, certain abbreviations have been used in the biographical sketches which follow.

CAC -- Central Advisory Committee of Kuomintang
CAF -- Chinese Air Force
CEC -- Central Executive Committee of Kuomintang
CRC -- Central Reform Committee of Kuomintang
CSC -- Central Supervisory Committee of Kuomintang
CUSA -- Council for United States Aid
JCRR -- Joint Commission for Rural Reconstruction
KMT -- Kuomintang

Names are spelled as they most frequently appear in publications regarding Formosa or as preferred by the person concerned.

I. PERSONALITIES IN THE CENTRAL GOVERNMENT

000 **CHANG CHI-YUN**

Origin: b., 1901, Chekiang.

Background: B.A., National Teachers' College, Nanking; professor, National Central Univ., 1927-36; prof. and dean, Dept. of History and Geography, dean, College of Arts, National Central Univ. 1936-48; Minister of Information, KMT, 1950; mem. and Sec.-Gen., CRC, KMT, 1950-52; Sec.-Gen., Central Committee, KMT, 1952-54; Pres., Chinese Geographical Society, 1950-; mem. board of directors, Chinese Assoc. for Advancement of Science, 1953-; author of many books on geography, history, education, etc.

Current Career: Minister of Education, 1954-.

CHANG CHUN

Origin: b., 1889, Szechwan.

Background: Tokyo Military Academy; mem. CEC, KMT, 1929-50; mayor of Shanghai, 1929-31; governor of Hupeh, 1933-35;

000 Minister of Foreign Affairs, 1935-37; Sec.-Gen., National Military Council, 1938; V-Pres., Executive Yuan, 1938-39; Sec.-Gen., Supreme National Defense Council, 1938-42; governor of Szechwan, director, Generalissimo's Hdq. in Chengtu, 1940-45; Pres., Executive Yuan, 1947-48.

Current Career: senior advisor to Pres., 1950-; mem., CAC, KMT, 1950-; Sec.-Gen., office of the Pres., 1954-

CHANG YI-TING

Origin: b., 1902, Shansi.

Background: Ph.D., Columbia, 1933; Sec. to Generalissimo, 1933-37; prof., Central Political Institute, 1938-40; Director, Political Dept. 8th War Area, 1940-45; Dep.-Director., Political Dept., Ministry of National Defense, 1947-54.

Current Career: Director, Political Dept., Ministry of National Defense, 1954-

45:Stanford U. S-4, 5 1956 AD1 Formosa
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000 CHEN CHENG

Origin: b., 1897, Chekiang.

Background: grad. of Paoting Milit. Acad.; V-Min. of War, 1937; governor of Hupeh, 1939-40; Minister of War, 1944-45; Chief of Gen. Staff, 1946-48; director, President's Hqs. in Northeast, 1948; Pres. Executive Yuan, 1950-54.

Current Career: mem., CRC, KMT, 1950-; mem. Central Committee, KMT, 1952-; V-Pres., Republic of China, 1954-.

CHENG CHIEH-MIN (or Kai-min)

Origin: b., 1899, Kwangtung.

Background: grad. of Whampao Milit. Acad., 1925; attended Moscow Sun Yat-sen Univ., 1928; director, 2d Dept., Milit. Operations Board, 1944-46; director, 2d Dept., Ministry of National Defense, 1946-47; mem., Executive Hqs., Peiping, 1946-47; V-Minister of National Defense, 1947-50; Asst. Chief of Gen. Staff, 1950-52; Chief, Mainland Operations Dept., Ministry of National Defense, 1952-54; author A Study of Military Intelligence; A Study of Guerrilla Warfare; etc.

Current Career: mem., Strategy Advisory Committee, office of the pres., 1952-;

45:Stanford U. S-4, 5 1956 AD1 Formosa
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000 director, National Security Bureau, 1954-.

CHIANG CHING-KUO

Origin: b., 1906, Chekiang.

Background: studied in USSR; Admin. Comdr. for Southern Kiangsi, 1940-45; Foreign Affairs Comdr. for Northeast, 1945-47; Dep.-Sup., Economic Control, Shanghai, 1948; chm., Taiwan Prov. KMT Hqs., 1949-50; head, political dept., Ministry of National Defense, 1950-54; mem. CRC, KMT, 1950-52.

Current Career: mem., Central Committee, KMT, 1952-; Deputy Sec.-Gen., National Defense Council, 1954-.

CHIANG KAI-SHEK (CHIANG CHUNG-CHENG)

Origin: b., 1887, Fenghwa, Chekiang.

Background: grad. of Paoting Milit. Acad., 1906; Tokyo Milit. Acad., 1907; joined Tung Meng Hui in Japan; participated in 1911 Revolution; Comdr. Whampoa Milit. Acad., 1923; appointed Commander-in-Chief, Revolutionary Armies, 1926, to lead Northern Expedition, resulting in unification of

000 China, 1928; elected Pres., National Govt., 1928; 1928-31 held posts of Pres. of Executive Yuan, Minister of Education; Pres., National Military Council, 1932-46; between 1932-37, concurrently Chief of Gen. Staff, chm. of National Economic Council, Pres. of Executive Yuan; mem. CEC, KMT, 1926-50; elected Tsungtsai (Director-General) of KMT, 1938; elected Pres. National Govt., 1943, to succeed late Pres. Lin Shen; Supreme Comdr. Allied Forces in China Theater, World War II.

Current Career: President of Republic of China, 1948-.

CHOU CHIH-JOU

Origin: b., 1898, Chekiang.

Background: Paoting Milit. Acad.; instructor, Whampoa Milit. Acad., 1925-26; Deputy Comdng.-General, 18th Army, 1933; Comdr., Central Aviation Acad., 1934; Director, Committee on Aeronautical Affairs, 1936; Comdng. Officer, Advanced Hqs., CAF, 1937; Comdr., Central Air Officers School, 1939; Comdr., Air Staff College, 1940-41; Comdng. General, CAF, 1946-52; Chief of Gen. Staff., Chinese Armed Forces, 1950-54.

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000 **Current Career:** Sec.-Gen., National Defense Council, 1954-.

HO YING-CHIN

Origin: b., 1889, Kweichow.

Background: grad. of Tokyo Milit. Acad.; Pres., Kweichow Milit. Acad., 1918; Comdr., Kweichow Mixed Brigade, 1919; Chief of Staff, Kweichow Prov. Army, 1921; Police Commissioner, Kweichow, 1921; Comdr., Whampoa Milit. Acad., 1924; Comdr., 1st Training Regiment, 1924; Comdr. 1st Div., 1925; mem. CEC, KMT, 1925-50; Comdr., 1st Army, 1925; Commander-in-Chief, East Route Army, Northern Expeditionary Campaign, 1926; Pacification Commissioner, East River Region, Kwangtung, 1926; Garrison Comdr., East Kwangtung, 1926; state councilor, 1927; chm., Chekiang Prov. Govt., 1928; Chief of Staff, ground, navy, and air forces, 1928; Supt. of Milit. Training, 1928; Chief of Gen. Staff, 1929; Minister of War, 1930-44; chm., Peiping Branch, National Milit. Council, 1933; Chief of Staff, National Military Council, 1936-46; C-in-C, Chinese Army, 1944-46; represented Generalissimo, Japanese surrender 1946; chm., President's Hqs., Chungking, 000 1946; chief delegate to UN Milit. Staff Committee, and chief, Chinese Milit. Mission to USA, 1946-48; Minister of National Defense, 1948-49; Pres., Executive Yuan, 1949.

Current Career: mem., CAC, KMT, 1950-; chm., Advisory Committee on Strategy, office of the President, 1950-.

HSIAO YI-SHU

Origin: b., 1898, Szechwan.

Background: Yunnan Milit. Acad.; Deputy Army Comdr.; Chief of Staff, Army Hqs.

Current Career: Deputy Chief of Gen. Staff; director, Mobilization Planning Bureau, Ministry of National Defense, 54-.

HSU PO-YUAN

Origin: b., 1902, Chekiang.

Background: B.A., College of Commerce, National Southeastern Univ.; grad. study, Univ. of Illinois, Univ. of California; manager, Bank of Communications, 005 Peiping, Tientsin, and Kunming, 1935-38; Political V-Min. of Finance, 1946-48; Dep.-Gov., Central Bank of China, and chm. board of directors, Bank of Taiwan, 1951-52; chief delegate, Chinese Delegation to International Monetary Fund, 1952; Commissioner of Finance, Taiwan Provincial Govt., 1952-54.

Current Career: Minister of Finance, 1954-.

HSU SHAO-CHANG

Origin: b., 1913, Chekiang.

Background: grad. of Central Political Institute; Univ. of Southern Calif.; V-Consul, Los Angeles, 1937-45; Consul-Gen., Rangoon, 1947-48; Counselor, Chinese Embassy, Seoul, 1949-51; Counselor-Charge d'Affaires, Chinese Embassy, Teheran, 1952-54.

Current Career: Dir., Dept. of American Affairs, Ministry of Foreign Affairs, 1954-.

HUANG CHEN-CHIU

Origin: b., 1898, Kwangtung.

000 **Background:** grad. of Paoting Milit. Acad., 1919; Comdng. Gen., Army Service Forces, 1945-46; Comdng. Gen., Combined Service Forces, 1946-47; Dep.-Chief, Gen. Staff, and V.-Min. of National Defense, 1947; Dep.-Director, President's Hqs. in Canton, 1947-48; Dep. Pacification Commissioner at Canton, 1948-49; Comdng. Gen., Combined Service Forces, 1950-54.

Current Career: Pol. V.-Min. of National Defense, 1954-; Chief of Staff to President, 1955-.

HUANG CHIEH

Origin: b., 1893, Hunan.

Background: grad. of Whampoa Milit. Acad. and Staff College; Dep.-Comdr., Garrison Forces of China-India Road, 1945; Comdr., Central Training Institute, 1945-48; Dep. Pacification Commissioner, Changsha, 1948-49; gov. of Hunan, 1949; Garrison Comdr., Taipei, 1953-54.

Current Career: mem., CAC, KMT, 1952-; C-in-C of Army, 1954-.

000 **HUANG JEN-LIN**

Origin: b., 1901, Kiangsi.

Background: B.A., Vanderbilt, 1924; Director, War Area Service Corps, National Milit. Council, 1937-46; Deputy Comdng. Gen., Combined Service Forces, 1948-49, 1950-54.

Current Career: Acting Comdng. Gen., Combined Service Forces, 1954-.

KIANG PIAO

Origin: b., 1900, Kiangsu.

Background: Diplom Ingenieur, Technische Hochschule, Berlin, 1927; former Chief, Technical Div., Directorate of Ordnance; Comdng. Gen., 5th Arsenal; head, Ordnance Dept., China Supply Commission, Washington, D.C.; v.-chm., same commission; Director, Chinese Govt. War Supply Agency, Ottawa; Director, Board of Supplies, Executive Yuan; V.-Min. of National Defense, 1951-52; Admin. V-Min. of National Defense, 1954-55.

Current Career: Minister of Economic Affairs, 1955-.

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000 **LIANG HSU-CHAO**

Origin: b., 1904, Fukien.

Background: grad. of Naval College of Ship and Aircraft Construction, 1920; Chefoo Naval College; Torpedo and Gunnery College, 1924; received naval training at Miami, Florida, and Guantanamo Bay, Cuba, 1944-45; amphibious training, U.S. Naval Amphibious Base, Coronado, San Diego, 1954; served on various Chinese naval ships, 1931-39; chief, Naval Station, Kweilin, 1940; aide to C-in-C, 1943; aide to C-in-C with rank of comdr., 1943; comdr. of officers' group of 8 naval vessels taken over from U.S. Navy, simultaneously CO on CS Taikang; Captain and CO on CS Aumee, 1946; Comdr. and latter Commandant of 4th Naval District, Hainan, 1949; chief, 5th Bureau, Naval Hqs., 1949; Comdr., Afloat Training Command, 1951; Comdr., Amphibious Force Command, 1954.

Current Career: C-in-C of the Navy 1954-.

PENG MENG-CHI

Origin: b., 1907, Hupeh.

000 Background: B.A., National Chungshan Univ.; grad., Whampoa Milit. Acad., Japanese Artillery School; chief instructor, artillery school, 1931; Battalion Comdr., 1st Artillery Brigade, 1932; Comdr., Kaohsiung Fort Command, 1946; Comndg. Taiwan Garrison Hqs., 1947; Deputy Comdr., Taiwan Peace Preservation Hqs., 1949-54.

Current Career: mem., Central Committee, KMT, 1952-; Deputy Chief of Gen. Staff, 1954-; Chief of Gen. Staff, 1954-.

SHEN CHANG-HUAN

Origin: b., 1913, Kiangsu.

Background: B.A., Kwang Hua Univ., 1933; Yenching Univ., 1934-35; M.A., Univ. of Michigan, 1937; professor, National Sun Yat-sen Univ., Canton, 1937-40; joined Ministry of Foreign Affairs, 1941; V.-Minister of Information, 1950; mem. CRC, KMT, 1950-52; chief, 4th Section, CRC, KMT, 1952; chief, 4th Section, Central Committee, KMT, 1952-54; govt. spokesman, 1950-52.

Current Career: personal secretary to President Chiang Kai-shek, 1945-; advisor, Executive Yuan, 1950-; mem.,

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Central Committee, KMT, 1952-; Political V.-Minister of Foreign Affairs, 1954-.

SOONG MEI-LING (MADAME CHIANG KAI-SHEK)

Origin: b., 1901, Kwangtung.

Background: B.A., Wellesley College; LL.D., Rutgers Univ.; former mem., Legislative Yuan; Sec.-Gen. Commission on Aeronautical Affairs; founder and Director of National Chinese Women's Assoc. for War Relief; author China in Peace and War, etc.; active in welfare work.

TSIANG TINGFU F.

Origin: b., 1894, Hunan.

Background: Ph.D, Columbia, 1923; prof., National Tsing Hua Univ., 1929-35; Director, Dept. of Political Affairs, Executive Yuan, 1935-36; ambassador to USSR, 1936-38; Director, Dept. of Political Affairs, Executive Yuan, 1938-44; Director, Chinese National Relief and Rehabilitation Admin., 1944-47; publications include Modern Chinese History, Selected Documents on China's Diplomatic History.

000 Current Career: permanent representative, UN Security Council, 1947.-

TUNG HOLLINGTON K.

Origin: b., 1889, Chekiang.

Background: A.B., Missouri, 1912; Columbia, 1913; asst. editor, China Weekly (English), 1916-25; editor, China Press, Shanghai, 1931-35; Managing Director, China Times, Ta Wan Pao & Shun Shih News Agency, 1935; V.-Min. of Information, 1938-45; Dir., Govt. Information Office, 1947-48; Minister without Portfolio, Executive Yuan, 1948; Director, Dept. of Information, KMT, Tsungtsa's office, 1949-50; mem., CAC, KMT 1950-52; Gen. Manager, Broadcasting Corp. of China and chm. of board of directors, Central Daily News, 1950-52; author Biography of Generalissimo Chiang Kai-shek, Dateline: China!

Current Career: ambassador to Japan, 1952-.

300 **WANG MARTIN PENG**

Origin: b., 1910, Kiangsu.

Background: Aurora Univ.; Ecole Central des Arts et Manufactures, Paris; chief, Supply Division, Szechwan-Yunnan Railways Co., 1940-41; deputy chief, China-India Road Survey Party, 1941-43; executive officer, Lend-Lease Affairs, War Production Board, 1944-45; resident-agent in UK for CNRRA, 1946-50.

Current Career: Sec.-Gen., CUSA, 1951-.

WANG SHU-MING

Origin: b., 1904, Shantung.

Background: grad. of Whampoa Milit. Acad., 1924; 1st Class, Kwangtung Aviation Acad., 1925; Soviet Advanced Fighter Flying School, 1928; Advanced Class, Central Aviation School, 1932; former Comdr. 2d Bomber Sqdn.; Comdr. Central Aviation School, CAF: Comdr., 3rd Route Air Force, CAF: Comdr., 5th Route Air Force, CAF: Comdr., Air Staff College, CAF: Dep.-Director, Commission on Aeronautical Affairs Deputy Comndg. Gen. and Chief of Staff, CAF, 1946-49; Dep.-Comdr., Ollo CAF, and Cmndg. Gen., Air Defense Command, Ministry of National Defense, 1949-52.

Current Career: C-in-C, CAF, 1952-.

WANG TE-PU

Origin: b., 1896, Shenyang.

Background: B.A., College of Law and Administration; Adm. V.-Min. of Interior; chm., National Opium Suppression Commission; mem., KMT.

Current Career: Minister of Interior, 1954-.

WU NAN-JU

Origin: b., 1898, Kiangsu.

Background: LL.B., Peiyang Univ.; London School of Economics; Columbia Univ.; 1st Sec., Chinese Legation, London, 1926-29; mem. of Treaty Commission, Senior Sec., Director of International Affairs Dept., Director of Information and Intelligence Dept., Min. of Foreign Affairs, 1929-33; Counselor and Charge d'Affaires, Chinese Embassy, 000 Moscow, 1933-37; Minister to Denmark, 1937-43; Chief of Protocol, Director of European Dept., Ministry of Foreign Affairs, 1943-46; Minister to Switzerland, 1946-50; alternate delegate to Gen. Assembly, League of Nations, 1935; chief delegate to diplomatic conference, Geneva, 1949; delegate to many international conferences; Director of Govt. Information Bureau, 1953-56.

Current Career: ambassador to Iran, 1956-.

YEH GEORGE KUNG-CHAO

Origin: b., 1904, Kwangtung.

Background: B.A., Amherst College, Mass. 1924; M.A., Cambridge; professor of English, National Peking Univ., 1926-27; prof. of English, National Chinan Univ., 1927-29; prof. of English, National Tsing Hua Univ., 1929-36; prof. of English, National Peking Univ., 1936-39; rep. in Singapore, Ministry of Information, 1942-46; counselor and concurrently Director of European Affairs Dept., Ministry of Foreign Affairs, 1946-47; Admin. V-Min. of Foreign Affairs, 1947-49. ambassador extraordinary on special mission to Burma, 1947; Political V.-Minister of Foreign Affairs, 1949; medallist, Royal

000 Society of Arts of Great Britain, 1943; author Social Forces in English Literature, Introducing China, The Concept of Jen, etc.

Current Career: Minister of Foreign Affairs, 1949-.

YU DAVID TA-WEI

Origin: b., 1899, Hunan.

Background: Ph.D., Harvard, 1922; Dir., Army Ordnance Admin., 1933-45; V.-Min. of War, 1944-45; Minister of Communications, 1946-48; special asst. to ambassador, Chinese Embassy, Washington, 1951-?.

Current Career: Minister of National Defense, 1954-.

YUAN SHOU-CHIEN

Origin: b., 1903, Hunan.

Background: grad., 1st Class, Whampoa Milit. Acad.; Sec.-Gen., Supreme Army Hqs., Central China Area; Political Commissioner and Sec.-Gen., Milit. and Political Affairs Administration for Southeastern Provinces, 1949-50; V-Min. of National Defense, 1950-54.

boo Current Career: Minister of Communications, 1954-.

YUI O.K.

Origin: b., 1898, Canton.

Background: B.A., St. John's Univ.; mayor of Shanghai, 1937; managing director, Central Trust of China, 1938-40; V.-Min. of Finance, 1941-44; governor of Taiwan Province, 1953-54.

Current Career: chm., board of directors, Bank of Communications, 1950-; member, Central Committee, KMT, 1953-; Prime Minister, 1954-.

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000 II. PERSONALITIES IN THE PROVINCIAL AND LOCAL GOVERNMENTS

CHANG CHI-CHUNG

Origin: b., 1915, Taiwan.

Background: grad. of Nippon Medical College, Japan; mem., KMT.

Current Career: speaker, Taichung Municipal Assembly.

CHANG JEN-TAO

Origin: b., 1907 Kiangsu.

Background: B.S., National Chiao Tung Univ.; M.A., Engineering, Univ. of Michigan; Dep.-Director, Public Utilities Bureau, Shanghai Municipal Govt.; Dep.-Commissioner, Dept. of Reconstruction, Taiwan Provincial Govt; mem. KMT.

Current Career: Director, Taiwan Supply Bureau.

Ooo **CHEN CHING-WEN**

Origin: b. 1907, Taiwan

Background: grad. of Taihoku Middle School; mem., KMT.1

Current Career: speaker, Kaohsiung Hsien Assembly.

CHEN HAN-PING

Origin: b. 1905, Hunan.

Background: B.A., Central Univ.; Dep.-Chm., Issue Dept., Central Bank of China; Dep.-Chief, 7th Section, KMT; V.-Minister of Finance, 1952-54.

Current Career: Finance Commissioner, Taiwan Provincial Govt., 1954-.

CHEN HSI-CHING

Current Career: magistrate, Changhua hsien

CHEN HSIEN-CHOU

Current Career: Commissioner, Taiwan Taiwan Provincial Police Administration.

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000 CHEN HSIN-AN

Current Career: magistrate, Kaohsiung hsien.

CHEN PAO-TAI

Origin: b. 1907, Chekiang.

Background: B.A., Futan Univ.; Director, Shanghai Social Affairs Bureau; mayor, Kaoh-siung Municipality; mem., Taiwan Provincial Council; mem., KMT.

Current Career: Director, Yangming-shan Administration.

CHIN YANG-KAO

Origin: b. 1911, Hopei.

Background: B.A., Chin-ling Univ; study, Cornell Univ., Univ. of Kansas; technical expert, JCRR; mem., KMT.

Current Career: Commissioner, Dept. of Agriculture and Forestry, Taiwan Provincial Govt.

000 **CHU SHENG-CHI**

Origin: b. 1905, Taiwan.

Background: B.A., Nippon Univ.; attorney at law; lecturer, Nippon Univ., mem., KMT.

Current Career: magistrate, Hsinchu hsien, 1954.-

CHUANG CHIN-HO

Origin: b. 1898, Taiwan.

Background: mem., KMT.

Current Career: speaker, Hsinchu Hsien Assembly.

HSIEH CHENG-CHIANG

Origin: b. 1911, Taiwan

Background: B.A., Keio Univ.; mayor Chiayi; mem., KMT.

Current Career: mayor Kaohsiung Municipality, 1954-.

000-HSIEH KUAN-I

Origin: b. 1901, Hunan.

Background: B.A., Yale Univ. of Chang-sha, 1925; M.A., Univ. of Michigan, 1927; mem., KMT.

Current Career: mayor, Keelung municipality.

HSIEH TUNG-MIN

Origin: b. 1906, Taiwan.

Background: B.A., National Chung-shan Univ., mem., CEC for Taiwan, 1943; magistrate, Kaohsiung hsien; mem., CRC for Taiwan Province.

Current Career: Sec.-Gen., Taiwan Prov. Govt.; mem., Taiwan Provincial Council.

HSIN WEN-PING

Origin: b. 1911, Taiwan.

Background: B.A., Meiji Univ.; mem., KMT.

000 **Current Career:** speaker, Tainan Municipal Assembly.

HSU TSUNG-TE

Origin: b. 1910, Taiwan.

Background: B.A., Ritsumeikan Univ., Japan; mem., KMT.

Current Career: magistrate, Taoyuan *hsien*, 1954-.

HUANG CHAO-CHIN

Origin: b. 1898, Taiwan.

Background: M.A., Univ. of Illinois, 1926; chm., board of directors, First Commercial Bank of Taiwan; Chinese Consul-General, San Francisco, 1935-39; mem., Central Committee, KMT.

Current Career: speaker, Taiwan Provisional Provincial Assembly, 1952-.

HUANG CHI-HSIEN

Origin: b. 1905, Taiwan.

Background: B.A., National Amoy Univ.; M.A., Yenking Univ.; professor, National

000 Amoy Univ.; speaker, Chiayi Hsien Assembly; Dep.-Commissioner, Dept. of Education, Taiwan Provincial Govt.; mem., KMT.

Current Career: Commissioner, Dept. of Reconstruction, Taiwan Provincial Govt.; mem., Taiwan Provincial Council.

HUANG TUO-JUNG

Origin: b. 1909, Taiwan.

Background: grad., Tainan Teacher's School; Director, Taitung Hsien Farmers' Assoc.; mem., KMT.

Current Career: speaker Taitung Hsien Assembly.

KAN AH YEN

Origin: b. 1895, Taiwan.

Background: grad., Taihoku (Taipei) Teacher's School; superintendent, Yilan Elementary School.

Current Career: magistrate, Yilan hsien, 1954-.

000 **KAO WEN-JUI**

Origin: b. 1893, Taiwan.

Background: grad., Taihoku Teacher's School; mem., KMT.

Current Career: magistrate, Tainan *hsien*, 1954-.

KAO YU-SHU

Background: business career in Japan.

Current Career: mayor, Taipei Municipality, 1954-.

LAI SHUN-SHENG

Current Career: magistrate, Miaoli *hsien*.

LI KAI-JIH

Origin: b. 1899, Taiwan.

Current Career: speaker, Taoyuan Hsien Assembly.

Ooo **LI KUO-CHENG**

Origin: b. 1911, Taiwan.

Background: B.A., Waseda Univ.; news correspondent; mem., KMT.

Current Career: magistrate, Nantou hsien, 1951-.

LI MU-SUNG

Current Career: magistrate, Chiayi hsien.

LI YU-LIN

Current Career: magistrate, Penghu hsien.

LIEN CHEN-TUNG

Origin: b. 1904, Taiwan.

Background: B.A., Keio Univ.; Sec.-Gen., Taiwan Provincial Assembly; Commissioner, Dept. of Reconstruction, Taiwan Provincial Govt.; mem., KMT.

000 Current Career: Commissioner, Dept. of Civil Affairs, Taiwan Provincial Govt.

LIN CHIN-PIAO

Origin: b. 1898, Taiwan.

Background: grad., Taihoku (Taipei) Teacher's School; teacher; speaker, Taichung hsien; mem., KMT.

Current Career: mayor, Taichung Municipality, 1954-.

LIN MU-SHENG

Current Career: magistrate, Hualien hsien.

LIN SHIH-CHENG

Origin: b., 1911, Taiwan.

Background: B.A., Chuo Univ., Japan; speaker, Pingtung Hsien Assembly; mem., KMT.

Current Career: magistrate, Pingtung hsien, 1954-.

000 **LIN TING-LI**

Origin: b. 1907, Taiwan.

Background: B.A., Meiji Univ.; Director, Political Office, Taiwan Provincial Garrison Hqs.; mem., KMT.

Current Career: Sec., Taiwan Provisional Provincial Assembly, 1951-.

LIN TSAI-TIEN

Origin: b. 1901, Taiwan.

Background: grad., high school; Director, Yilan Hsien Farmers' Assoc.

Current Career: speaker, Yilan Hsien Assembly.

LIU HSIEN-YUN

Origin: b. 1910, Hupei.

Background: B.A., Chunghua Univ.; Sec.-Gen., Hupei Provincial Govt.

Current Career: Commissioner, Dept. of Education, Taiwan Provincial Govt.

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PAI CHIN-CHUAN

Origin: b. 1918, Taiwan.

Background: grad., Toa Commercial School; mem., Taiwan Provisional Provincial Assembly; mem., KMT.

Current Career: speaker, Taipei Hsien Assembly.

TAI TE-FA

Origin: b. 1911, Taiwan.

Background: grad., Taipei Medical College, 1935; speaker, Taipei Hsien Assembly; mem., KMT.

Current Career: magistrate, Taipei *hsien*, 1954-.

TUNG CHIN-SHUH

Origin: b. 1906, Taiwan.

Background: grad., Tainan Teacher's School; teacher; Director, Taiwan Provincial Farmers' Assoc.; mem., KMT.

Current Career: speaker, Pingtung Hsien Assembly.

000 **WU CHIN-YU**

Current Career: magistrate, Taitung hsien.

YANG CHING

Current Career: mayor, Tainan Municipality, 1954-.

WU CHING-CHENG

Current Career: magistrate, Yunlin hsien.

YANG CHUN-MU

Origin: b. 1909, Taiwan.

Background: mem., KMT.

Current Career: speaker, Changhua Hsien Assembly.

YEN CHIA-KAN

Origin: b. 1905, Kiangsu.

Background: B.S., St. John's Univ.,

001 Shanghai, 1926; chm., board of directors, Fukien Provincial Bank, 1941; Finance Commissioner, Govt.-Gen. of Taiwan, 1946-47; chm., board of directors, Bank of Taiwan, 1946-49; mem., CUSA, Executive Yuan, 1948; Minister of Economic Affairs, 1950; Minister of Finance, 1950-54.

Current Career: V.-Chm., CUSA, 1950-; Gov. of Taiwan, 1954-.

YEN CHUN-HUI

Origin: b. 1907, Taiwan.

Background: B.S., Yenching Univ., 1928; Doctor of Medicine, Peking Union Medical College, 1932; Doctor of Public Health, Univ. of Toronto, 1938; professor in Bacteriology and Immunology, National Peking Univ.; publications - A Practical Course in Bacteriology and Immunology (in Chinese) and articles in American and Canadian medical journals.

Current Career: Commissioner of Health, Taiwan Provincial Govt.

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III. PERSONALITIES IN ACADEMIC, COMMERCIAL, AND INDUSTRIAL FIELDS

CHANG TSE-KAI

Origin: b. 1900, Kwangtung.

Background: M.B.A., New York Univ., 1932; Gen. Manager, Chinese Petroleum Corp., 1947-49; V.-Minister of Finance, 1950-51; V.-Pres. and Gen. Manager, Philippine Bank of Communications, Manila, 1951-52; Minister of Economic Affairs, 1952-54.

Current Career: chm., board of directors, Bank of Taiwan, 1953-.

CHEN CHI-CHING

Origin: b. 1902, Taiwan.

Background: B.A., Political Science, Meiji Univ.; mem., Taiwan Provincial Council; chm., Taiwan Fed. of Chamber of Commerce; mem., National Assembly.

Current Career: Gen. Manager, Taiwan Cement Corp., 1954-.

000 CHEN CHING-FEN

Origin: b. 1909, Taiwan.

Background: grad. of Japan Art School; studied Academy Ranson, Paris; mem., Taiwan Provincial Council; mem., KMT.

Current Career: chm., Taiwan Tea Exporters' Assoc.; Director, Commercial Arbitration Assoc. of the Republic of China.

CHIANG MONLIN

Origin: b. 1886, Chekiang.

Background: Ph.D., Columbia Univ., 1917; Pres., Chekiang Univ., Minister of Education, 1928-30; Chancellor, Peking Univ., 1930-45; State-Councilor, National Govt., 1947-48; chm., Chinese Assoc. for Advancement of Science, 1952-; mem., KMT; author Tides from the West.

Current Career: chm., JCRR, 1948-.

CHIEN SSU-LIANG

Origin: b. 1908, Chekiang.

Background: B.S., National Tsing Hua Univ., 1931; M.S., Univ. of Illinois, 1932;

000 Ph.D., Illinois, 1934; professor, National Peking Univ., 1934-40; research fellow, New Asiatic Chemical and Pharmaceutical Research Institute, 1941-45; prof. and head, Dept. of Chemistry, National Peking Univ., 1946-49; Pres., Chinese Chemical Society 1951-52.

Current Career: President, National Taiwan Univ., 1951-.

CHIEN TIEN-HO

Origin: b. 1893, Chekiang.

Background: M.S., Agriculture, Cornell Univ.; asst. professor, Nanking Univ., 1919-23; regional advisor to Foreign Operations Administration, 1947-48; chief, Agricultural Improvement Division, JCRR, 1948-51; mem., KMT.

Current Career: Commissioner, JCRR, 1952-.

CHIEN WAN-CHUAN

Origin: b. 1907, Taiwan.

Background: B.A., Tokyo Univ. of Commerce, 1931; mem., KMT.

000 **Current Career:** Gen. Manager, Hua Nan Commercial Bank; Director, Bank of Taiwan.

CHIN TA-CHUN

Origin: b. 1901, Kiangsu.

Background: Ph.D., Engineering, Technische Hochschule, Aschen, Deutschland; Commissioner, Examination Yuan; mem., KMT.

Current Career: Pres., Taiwan Provincial College of Engineering.

CHOU PU-TI

Origin: b. 1894, Taiwan.

Background: grad., Kokugo School of Taiwan Govt.-Gen.; entered Taiwan Commercial and Industrial Bank, 1923.

Current Career: Gen. Manager, 1st Commercial Bank, 1947-.

CHU CHIA-HUA

Origin: b. 1893, Chekiang.

AD1

000 **Background:** Ph.D., Berlin Univ.; professor, National Univ. of Peking, 1917-26; V.-Chancellor, National Sun Yat-sen Univ., 1927-30; Chancellor, same university, 1930-31; Chancellor, National Central Univ., 1930-32; Minister of Education, 1932-33; Minister of Communications, 1932-35; Governor of Chekiang, 1936-37; Sec.-Gen., Academia Sinica, 1936-38; V.-Pres., World Federation of League of Nations Union, 1937-46; V.-Pres., Examination Yuan, 1941-44; Minister of Education, 1944-48; V-.President Executive Yuan, 1949-50.

Current Career: senior advisor to Pres., 1950-; chm. board of trustees, Sino-British Educational and Cultural Endowment Fund, 1932-; Pres., Chinese Assoc. for UN, 1946-; Pres., Academia Sinica, 1940-; Hon. Pres., World Fed. of UN Assoc., 1946-.

HUANG HUI

Origin: b. 1903, Fukien.

Background: B.S., Nanyang Univ., 1926; M.S. Cornell Univ., 1930; Director, Hsiang River Electricity Works; senior technical expert, National Resources Commission, 1937-44; mem., technical mission in USA, same commission, 1944-45; Gen. Manager, Taiwan Power Co.

-000 Current Career: Pres., Taiwan Power Co., 1950-.

KAO SI-CHIN

Origin: b. 1903, Shantung.

Background: B.S., Purdue Univ.; M.S. Univ. of Illinois; Gen. Manager, Taiwan Machinery Manufacturing Corp.; Gen. Manager, Taiwan Machinery and Shipbuilding Co.; mem., KMT.

Current Career: Director, China Productivity Center, 1955-.

KUO YU-HSIN

Origin: b. 1907, Taiwan.

Background: B.S., Taihoku (Taipei) Imperial Univ.; mem., KMT.

Current Career: mem., Provisional Assembly, Taiwan Province, 1951-; chm., Fruit Exporters Assoc., Taiwan District, 1951-.

LI CHAN-CHUN

Origin: b. 1902, Taiwan.

000 **Background:** a vocational school of commerce; advisor to industrial section, Economic Stabilization Board, Executive Yuan.

Current Career: chm., Cotton Textile Manufacturers' Assoc., Taiwan District.

LI CHIEN-HSING

Origin: b. 1890, Taiwan

Background: 10 years, private tutoring in Chinese Classics; chm., Taiwan Provincial Coal Adjustment Commission; mem., KMT.

Current Career: coal tycoon.

LI LIEN-CH'UN

Origin: b. 1903, Taiwan.

Background: grad., Kobe School of Commerce.

Current Career: Director, Provincial Food Bureau, 1945-.

LIU CHEN

Origin: b. 1912, Anhwei.

AD1

000 **Background:** B.A., National Wuhan Univ.; Tokyo Univ. of Literary and Scientific Studies; professor, National Hupeh Teachers College, 1942; mem., Legislative Yuan, 1948; author Educational Administration.

Current Career: Chancellor, Taiwan Normal University, 1949-.

LIU CHI-KUANG

Origin: b. 1905, Taiwan; originally known as Hou Chao-tsung.

Background: joined anti-Japanese movement and fled to Mainland prior to World War II; magistrate, Hsinchu *hsien*; chm., Taipei Chamber of Commerce.

Current Career: chm., board of directors, Hua Nan Commercial Bank, 1948-.

SHEN TSUNG-HAN

Origin: b. 1895, Chekiang.

Background: Ph.D., Cornell, 1927; professor of Plant Breeding, Univ. of Nanking, 1926-37; chief technician, National Agricultural Research Bureau, 1934-38; Dep.-Director, same bureau, 1938-46;

000 Director, same bureau, 1946-50; author The Agricultural Resources of China.

Current Career: Commissioner, JCRR, 1948-.

SUN CHING-HUA

Origin: b. 1904, Fukien.

Background: Ph. D., London Univ., 1935; acting Gen. Manager, Electro-Chemical and Metallurgical Works, National Resources Commission, 1944.

Current Career: Gen. Manager, Taiwan Aluminum Corp., 1948-.

TANG JUNG

Origin: b. 1882, Fukien.

Current Career: owner of largest privately owned steel works, 1940-.

TANG YUAN-CHI

Origin: b. 1904, Kiangsu.

Background: Ph. D., Munich Univ., 1931; Manager, Szechwan Alcohol Distillery, 1940-42; Manager, Tsun Yi Alcohol Distillery, National Resources Commission, 1942-45.

Current Career: Gen. Manager, Taiwan Fertilizer Co., 1946-.

TU TSUNG-MING

Origin: b. 1894, Taiwan.

Background: Doctor of Medicine, Tokyo Imperial Univ., dean of Medical College, National Taiwan Univ.

Current Career: Pres., Takau Medical College (private), 1955-.

WANG CHUNG

Origin: b. 1898, Sungkinag.

Background: B.S., Akita Univ., Japan; Director, Personnel Dept. and Gen. Affairs Dept., Central Bank of China, 1941-45; Political Commissioner, President's Hqs. in Northeast, 1945-48; Northeast Representative, Central Bank of China, 1945-48; Taiwan Representative, Central Bank of China, 1949.

Current Career: Director, Issue Dept., Central Bank of China, 1949-; Gen. Manager, Bank of Taiwan, 1951-.

600 **WANG I-CHI**

Origin: b. 1905, Kiangsu.

Background: B.A., Chin-ling Univ.; mem. National Assembly; mem., KMT.

Current Career: chm., China Chamber of Commerce.

YANG CHI-TSENG

Origin: b. 1898, Anhwei.

Background: B.S., Technische Hochschule Zur Charlottenburg, Deutschland, 1926; V.-Minister, National Defense, 1950; Director, Dept. of Ordnance, Ministry of National Defense, 1944-49; President, China Society of Engineers; mem., KMT.

Current Career: Gen. Manager, Taiwan Sugar Corp., 1950-.

YU KUO-HUA

Origin: b. Chekiang, about 1910.

Background: B.A., Tsinghua Univ., 1935; M.A., Univ. of Michigan; alternate Exec. Director of China, International Monetary Fund; Personal Sec. to Pres. Chiang Kai-shek.

005 Current Career: Managing Director, Central Trust of China, 1955-.

YU MI-CHIEN

Origin: b. 1897, Taiwan.

Background: B.A., Nippon Univ.; study, Univ. of Paris; professor, National Taiwan Univ.; mayor, Taipei; mem., Taiwan Provincial Council.

Current Career: chm., board of directors, Taiwan Paper and Pulp Corp., 1954-; mem., National Assembly.

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Annex "A," Subparagraph 3a', Economic Background

GENERAL STRUCTURE OF ECONOMY

B4 Two-thirds of Formosa is mountainous and one-third is lowland. The mountains are rugged and covered with dense forests, but most of the lowland is well suited to the production of commercial crops. Though the Tropic of Cancer passes through the island, its climate is mild, with moderate temperatures and abundant rainfall. Two major crops a year are usual and a third crop of vegetables often increases the total yield. The soils are generally fertile, but frequent inundation and heavy year-round cropping cause excessive leaching. To maintain fertility, large quantities of fertilizer become a necessity.[1]

B5 Mineral resources do not appear to be abundant. However, since much of the mountainous regions has not been thoroughly

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[1] The application of fertilizer to riceland in Formosa averages 50 pounds per acre per crop. Chiao-min Hsieh and Alice Taylor, "Formosa" Focus, N. Y., April 1955, p. 5.

135 explored geologically, the situation with respect to mineral resources could be changed considerably in the future. Bitumous coal is abudant in the northern part of the island, and some high-grade coking coal has been recently discovered at Nanchuang near Miaoli. Large reserves of copper and sulphur and some gold veins are located in the northeast part of the Taipei area. Pyrites in limited quantities are mined in the north, primarily for use in the fertilizer industry. Limestone and glass sand are also available for building purposes. But such ores indispensible to industrial development as iron, bauxite, lead, zinc, tin, and magnestie[2] are scarce or non-existent on the island and must be imported. As much of the rock formation on the island is petroliferous, large oil and natural gas fields may be discovered in the future, but as yet petroleum finds and development have been insufficient to offset reliance on foreign sources of supply.

241 The economy of Formosa is essentially agrarian; although only one-fourth of the total land area is arable, most of the population is engaged in farming. Ever since the Dutch

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[2] Mercury and manganese ores are found in the mountains near Yilan.

241 occupation in the first half of the seventeenth century, rice and sugar have been the staple products of the island.

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245 Under Chinese rule in the eighteenth and nineteenth centuries, a constant influx of immigrants from the mainland reclaimed the extensive western plains of Formosa for the cultivation of rice and sugar. The foothills surrounding the plains were terraced for the growing of tea. Further in the mountains,
298 camphor was gathered from the dense forests. In the more isolated mountain region, aboriginal tribes practiced hunting and slash-and-burn agriculture. Coal mines were operated for a time by the government but were later abandoned.

489 Except for a 60-mile stretch of railway between Keelung and Hsinchu, communications was primitive until the present century. Rafts, boats, and junks were used along the coast and on lakes and rivers. Overland, the inhabitants were obliged to travel either in man-borne palanquins[3] or ox-drawn carts.
439 Western merchants handled a small international trade, consisting of tea, camphor, and sugar.

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[3] A closed litter commonly used as a conveyance in China.

648 Under the Japanese from 1895 to 1945,
the economy of Formosa was geared entirely
to that of the colonial power. The island
was developed as a major source of foodstuffs
to feed the rapidly growing population of
Japan. All possible arable land was brought
under cultivation. The production of rice
[439] more than doubled between 1905 and 1935; the
sugar crop tripled between 1910 and 1940.[4]
Great strides were made in modernizing
communications and transportation throughout
the island, including the construction of a
network of railways and roads. After 1937,
648 some effort was directed toward the industriali-
178 zation of the island. Factories were built,
439 electric power developed, highways and
railways improved, and harbors enlarged.
A number of large plants were established to
use the raw materials of Southeast Asia in
the production of semi-finished goods to
supply Japanese industry. The chief emphasis
was on metals and chemicals. No attempt was
made to achieve industrial self-sufficiency
on the island. Fertilizer and textiles, two of
the most important industrial products in an
agrarian economy were totally neglected.

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4. Norton S. Ginsburg, Economic Resources and Development of Formosa, New York, Institute of Pacific Relations, 1953, p. 24.

[128] Economic dependency on Japan was accentuated 648 by the employment of only Japanese in both 489 technical and managerial positions. From the beginning of the Japanese control, trade was confined almost exclusively to territories within the Japanese empire and managed for the most part by Japanese personnel. Japan took between 90 and 95 per cent of Formosa's exports and supplied 85 to 90 per cent of the island's imports. Some sugar and coal were shipped to China, and small quantities of tea and camphor were sent to the United States. 648 454 Banking and currency were linked to the Japanese system, and all capital investment was controlled by the Japanese.[5] "Every year, for at least fifteen years previous to the war, Japan is believed to have gained directly 150 million yen from her investments in Taiwan, and for the fifteen years before that lesser but still significant sums".[6]

648 727 Some of the Japanese industrial projects were never completed. Others wer destroyed

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[5] By 1939, 90% of all the capital invested in the island was held either by the Japanese government or Japanese nationals; the remaining 10% held by Formosans was mostly invested in small shops. Taiwan, A Geographical Appreciation, Ottawa, Department of Mines and Technical Surveys, Government of Canaca, 1952, p. 16.

[6] Ginsburg, op. cit., p. 25.

648 or severely damaged by Allied bombing during
727 World War II. Further depreciation and deterioration of Japanese installations were caused during and immediately after the war by typhoons and floods coupled with lack of maintenance and repair. Even the railway system, the principal means of freight and passenger transportation, was capable of handling only a fraction of the freight and passenger demand. "Rails were worn thin, one-third of the cross ties were rotten, rolling stock was seriously depleted or in need of complete overhaul."[7] The war and
727 the repatriation of Japanese nationals after-
433 ward also caused disruption of rural services in credit collection, processing, and marketing of farm produce. Due to a scarcity of imported fertilizers, production of the two principal cash crops, sugar and rice, dwindled considerably. The production of rice fell from 1,100,000 metric tons in 1943 to 600,000 metric tons in 1945 and sugar production dropped from 1,022,000 metric tons in 1942-43

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7. "Economic Progress on Formosa" Chinese-American Economic Co-operation, pub. by Mutual Security Agency Mission to China, Taipei, Vol. 1, No. 2., Feb. 1952, p. 12.

727 433 to 86,000 metric tons in 1945-46. The Formosan farmer was faced with the "worst prospect in living memory," as one observer remarked.[8]

434 178 In spite of the seriousness of economic conditions on Formosa, the Chinese government was able to make only limited progress in reconstruction following the restoration of the island to Chinese control. For one thing, the Nationalist Government was involved in a costly war with the Communists and faced with a huge rehabilitation program on the Mainland. Furthermore, without a surplus of exportable goods, China could not obtain the foreign exchange necessary to re-equip the damaged plants and restore agricultural production on Formosa. The island's economy continued to deteriorate until 1949, when Mainland China was overrun by the Communists and the National Government was withdrawn to Formosa.

458 185 The sudden influx of over one million mainlanders and half a million soldiers further strained the resources of the island. Inflation was running wild and food was short. However, the removal of the national government to Formosa was not without benefit to the island.

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8. H. Maclear Bates, Report from Formosa, New York, Dutton, 1952, p. 117.

185 First of all, the presence of President Chiang
458 Kai-shek strengthened the political stability of the island. Then the arrival of technical and experienced personnel and capital equipment from the Mainland greatly facilitated the island's economic rehabilitation. With the gold evacuated from the Central Bank of China at Shanghai, the Nationalist Government was able to institute currency reform. Steps were immediately taken to increase the production of food-stuff, and a program was initiated to relieve the Formosan farmers' burden of high rents and high taxes. Taxation was simplified by discontinuing numerous special levies. To insure the cultivator a fair share of his crop, a land reform program was undertaken. Land rents were cut from their previously usurious rate of about 60 per cent of the main crop to a maximum of 37.5 per cent. A limit was set on the ownership of tenanted land. Any land holding in excess of the stated limit was bought by the government and resold to the tenant.

648 In 1950 economic improvement quickened. At the outbreak of the Korean conflict, the United States government assigned the Seventh Fleet to patrol duty in the Formosa Strait. Fear of Communist invasion, which had been the underlying cause of the constant flight of capital, was dispelled. Public confidence was further enhanced by the revival of American economic assistance in June of the same

648 year.[9] The aid program permitted prompt and substantial importation of fertilizer, the repair and rebuilding of basic industries, and the rehabilitation and improvement of communication facilities. Since 1950 the United States government has made special annual appropriations for extending aid to China.

American aid to China has three basic objectives: (1) To help achieve economic stability on Formosa; (2) To support military defense; and (3) To improve Formosa's economic productive capacity for self-support.[10] To implement these objectives, the U. S. Foreign Operations Administration (FOA), now the International Co-operation Administration (ICA), maintains a Mutual Security Mission to China (MSMC) in Taipei. The mission to China, through its commodity program, finances the importation of essential commodities such as fertilizer, cotton, soybean, wheat and flour, rubber, metals and machines, and petroleum products to meet

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[9] The U.S. Foreign Economic Assistance Act signed by President Truman on June 5, 1950 authorized a program of economic assistance "in any place in China and in the general area of China which the President of the United States of America deems to be not under Communist control."

[10] Office of Information, FOA-MSMC, "A Background Summary of the U.S. Economic Assistance Program in Free China." Chinese

(continued next page)

648 the immediate needs of both the people and Formosan industry. MSMC also supplies urgently required replacement parts and materials for the restoration and development of basic industries and public utilities. The proceeds from sales of American aid commodities are deposited in a special account with the Bank of Taiwan. By agreement, the government of China deposits in Chinese currency an amount equivalent to the cost of the American commodities. These deposits, called the counterpart fund, are used to carry out FOA-approved projects, to meet the expenses of aid agencies, to help the Chinese government reduce its budgetary deficits, and to promote production by extending loans to public and private industries. To administer this fund the Chinese government has established within the cabinet an agency called the Council for United States Aid (CUSA), of which the Chinese premier is the chairman ex-officio.

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178 The mission to China also provides technical assistance to public and private enterprises on Formosa. Under a MSA- and MSMC-financed contract between J.G.

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10. (continued) American Economic Co-operation, Taipei, Feb. 1955, p. 1.

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648 178 White Engineering Corporation of New York and the Chinese Government, six to nine consulting engineers are retained in Formosa to render technical advice in industrial reconstruction. The objective of the industrial program is to make Formosa self-supporting by fully utilizing its natural resources and developing its existing industrial facilities. Among the island's assets are its potential hydro-electric power, the mineral and forest resources, an industrious population, and the industrial base laid by the Japanese. In the past five years a series of specific projects designed to develop basic industries, electric power, transportation, mining, and fertilizer manufacturing have been carried 648 out. MSMC also renders financial assistance to various projects in social fields, such as public health, education, and public administration. It pays the Public Administration Service of Chicago, which has been retained to make studies and develop plans for improvement in these areas. Under the technical assistance program, a number of Chinese technicians have been sent to the United States and Japan for advanced training and observation.

The greatest achievement of American economic assistance is undoubtedly in the rural program, which affects directly or indirectly every phase of rural life on Formosa. Farm produce accounts for 80 per cent of the value of the island's total production, and three-quarters of grainfully employed Formosans

648 are engaged in farming. The rural program is entrusted to the Joint Commission on Rural Reconstruction (JCRR). The commission is composed of two American members appointed by the President of the United States and three members appointed by the President of the Republic of China. It was established in 1948 on the Mainland. After the loss of the Mainland, the commission concentrated its efforts on increasing agricultural production in Formosa and improving the living conditions of the rural people. JCRR has compiled a comprehensive statistical report on land distribution in Formosa and helped the Chinese government in many ways to implement its land reform program. The working principle of JCRR is to help the Chinese to help themselves, so it avoids direct assistance and carries out its program indirectly by giving financial and technical assistance either to a government agency like the Provincial Department of Agriculture and Forestry or to a rural organization like the Farmers Association. The commission also conducts surveys and experiments in co-operation with the Taiwan National University and Agricultural colleges.

In the rural areas, JCRR assists farmers to increase production by making proper use of fertilizer, composts, and green manures. The commission is instrumental in distributing to the farm population fertilizer and bean-cake, 648 improved crop seeds and animal breeds, and large quantities of insecticides for the control of crop diseases. Help has also been given in expanding and improving irrigation and flood control systems and in promoting soil conservation and reforestation. Through the establishment of health stations and improvement of hospital facilities, JCRR assists government agencies in eradicating malaria, controlling tuberculosis, and improving rural health in general.[11] The practical benefits of JCRR activities to the farm households are widespread and evident, and the above-mentioned improvements have been accomplished with relatively little money.

648
433 With American aid, substantial progress in economic reconstruction has been achieved in the past five years. Industrial production at the end of 1954 exceeded the peak production under the Japanese by 50 per cent.[12] Electric power has been doubled. Textiles, which were practically non-existent before the war, are now actually overproduced. Rice production in Formosa has been increased

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[11] Chinese American Joint Commission on Rural Reconstruction, General Report IV, Taipei, 1954, p. 3.

[12] For details, see chapter on Industry.

648 433 both in yield per acre and in total amount, so there is at present not only a sufficient supply to feed the increased population, but also a substantial amount for export.

648 451 United States aid appropriations for China from 1951 to 1954 was as follows:

1951	US$	98,034,000
1952		81,479,000
1953		105,503,000
1954		111,821,000
	US$	396,837,000

In fiscal year 1955, the allotment totaled US$102,000,000, distributed among the following programs:[13]

Military program	US$	37,000,000
Commodity aid		34,000,000
Industrial construction		28,000,000
Technical assistance		3,000,000
	US$	102,000,000

648 198 433 From the disorganized and demoralized condition of Formosa in 1949, the joint Chinese

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[13] As reported by Martin Wong, Secretary-general of the Council for U.S. Aid on Aug. 12, 1955.

178 and American efforts have effected tremendous
648 change. However, in spite of steady gains,
433 the economy of Formosa has not achieved complete stability. Industrial and agricultural production is higher than before the war, but because of the tremendous increase in population, per capita production is still below the pre-war level. The Nationalist Government has been able to meet yearly budgetary deficits only by relying on American aid and resorting to the printing press. Forty per cent of the annual imports into Formosa are financed by United States aid. Inflation is steadily mounting. The economic situation would be very grave without United States assiatance.

185 On the avowed basis that "a nation's
433 progress and prosperity cannot be a gift from others, but must be sought through production and reconstruction,"[14] the Nationalist Government formulated a four-year plan for economic reconstruction in 1953. The plan aims at developing the island's economy production to a self-sufficient level. By the time the plan is fully implemented, the government intends that Formosa, without

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[14] Report of Premier Chen Cheng (now Vice-President) before the National Assembly, March 4, 1954.

185 foreign aid, will be able to provide its people
433 with the goods and services necessary for a satisfactory standard of living and yield sufficient revenue to support needed public services, including defense. The general co-ordination and review of the plan is the responsibility of the Economic Stabilization Board (ESB), established in July 1, 1953 within the Executive Yuan.

The Four-Year Economic Development Plan, is divided into two parts -- agricultural and industrial. The agricultural plan is directed at increasing the production of rice, sugar, pineapple, tea, peanuts, and soybean as a means of increasing exports and reducing imports. Since agriculture in Formosa is comparatively well developed,[15] the aim of the Four-Year Plan is to expand farm production 20 per cent by 1957.

The major emphasis of the Four-Year Plan is on industrial development, and top priority is given to the production of power and fertilizer. The following goals have been announced[16] for expanding the output of major products on completion of the plan in 1956 (production in 1952 equals 100):

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[15] Practically all arable land is now in use. The possibility of enlarging the cultivated area depends largely on expanded irrigation.

[16] Industrial Development Commission of the Economic Stabilization Board, The Four-year Economic Development Plan, Taiwan, Taipei, 1955, pp. 4, 7.

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Item	1956 Index	Item	1956 Index
Rice	118	Coal	131
Sugar, white	138	Canned pineapple	217
Sugar, brown	181	Flour	2,060
Wheat	126	Cotton yarn	171
Peanuts, unhulled	150	Cotton cloth	122
Soybean	187	Paper	162
Tea	122	Soda ash	1,830
Pineapple	129	Phosphate	159
Fish	139	Cement	141
Timber	124	Shipbuilding	436
Poultry	122	Power	174

185
433 According to the report of the Industrial Development Commission of the Economic Stabilization Board, "annual production goals as set out in the Plan have generally been realized. In some instances, such as canned pineapple and textile production, actual production has been greater than planned."[17] A new Four-Year Plan is being drawn up to cover the period 1947-1960. These development plans indicate the determination of the Chinese government to put the economy of Formosa on a more solid basis. At the end of these two four-year plans the government envisions that, despite the heavy strain of military requirements, the national budget will be balanced; inflation will be halted; there will be enough export to balance foreign exchange payments; and the economic development will be great enough to take care of the rapidly growing population.

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[17] *Ibid.*, p. 8.

Annex "A," Subparagraph 3a",
Economic Background

LAND REFORM

I. LAND TENURE BEFORE REFORM

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162 For many years the most crucial problem confronting Formosa, as is the case with most countries on the continent of Asia, has been that of too many farmers and not enough land. There has been an enormous growth of population in the past half-century. For lack of industrial development, over 51.93 per cent of the total population in Formosa is engaged in farming.[1] The agricultural [161] population grew[2] from 3,318,235 in 1944 to 4,381,816 in 1953. Only 24.7 per cent of the land in Formosa is arable.[3] As is always the

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[1] Taiwan Agricultural Yearbook, 1954 Edition, compiled by the Provincial Department of Agriculture and Forestry, Taipei, October 1954, p. 1.

[2] Ibid., p. 25.

[3] Ibid., p. 8. The total area of Taiwan Province, including the Pescadores and adjacent small islands, is 3,707,658 chia (or 35,961 square kilometers) and the total area of public and private cultivated land is 903,273 chia (or 8,082 square kilometers) in 1953. (Chia is the unit of measurement of land on Formosa; one chia is equal to .9699 hectare or 2.3968 acres.)

423 162 case in heavily populated countries with limited land, very little land is offered for sale. The majority of the farmers are tenants. When the population grows larger the competition becomes keener. Consequently, the landlords are able to impose high rentals and other harsh terms. As time goes on, the landlords grow progressively richer and the tenants progessively poorer. The general poverty from which the poor peasants are unable to lift themselves is the primary cause of social unrest. Before the land reform programs were launched at the end of 1948, the distribution of tenure among the agricultural population in Formosa was as tabulated below.[4]

	Number of Farm Families	Percentage
Owner-cultivators	211,649	35
Part-owners	154,460	26
Tenants	231,224	39
Total	597,333	100

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[4] Ibid., p. 24.

403 162 The foregoing tabulation shows that tenants and part-tenants who own no land, or only part of the land they till, constituted 65 per cent of the farm population, and only 35 per cent were independent farmers. The scarcity of land coupled with inequitable distribution led to the continued exploitation of the tenant farmer by the landlord.

427 Prior to 1949 the land rental averaged 50 per cent of the total yield per annum; in some cases more. In Taichung and Hsinchu there were instances where the tenants paid to the landlords 70 per cent of their annual harvest. In addition to the high rental, the tenants often were required to pay the landlord a large rent deposit. Then there was uncertainty of tenure. In most cases there was no written lease. Even when there was a written contract, the period of lease generally covered only one to two years, or was not definitely stated. This left the landlord free to terminate the lease at will. Since the dispossessed tenant was not entitled to any compensation, the resulting hardship could be easily imagined. The need for reform was evidently urgent.

II. LAND REFORM

423 Land reform for the sake of social justice was advocated by Dr. Sun Yat-sen,

423 founder of the Republic of China, in his San-min Chu-i.[5] He called it the Land-to-the-Tiller Policy. It had been tried out in the provinces of Szechwan, Kwangsi, and Kweichow after World War II and met with some degree of success; but the reform program was interrupted by the Communist uprising. When Gen. Chen Cheng became the governor of Formosa in December 1948, he undertook with great zeal and determination to carry out the much-needed land reform in the insular provinces.

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185 With the aid of the Sino-American Joint Commission on Rural Reconstruction (JCRR), a detailed program of land reform was mapped out. The program was to be carried out in three successive stages, namely, reduction of farm rent in 1949, sale of public farm lands in 1951, and redistribution of private lands in 1953.

A. Rent Reduction

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429 On April 14, 1949, the Taiwan Provincial Government promulgated a set of regulations

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[5] San-min Chu-i [The Three Principles of the People], Taipei, China Cultural Service, reprinted 1953, p. 187.

403 governing the lease of private farm land in 407 the province, which limited farm rent to 37.5 per cent of the annual yield of the main crop. The new law provides that if the rent originally agreed upon exceeds this percentage, it must be reduced accordingly. If it is less than 37.5 per cent, it must not be increased. It represents a substantial reduction from the customary 50 to 60 per cent that most tenants had been paying. Moreover, "the total annual yield" does not mean the actual annual yield on the farm; it refers to the standard amount of yield fixed on the basis of the productivity grade of the land at the time of lease. A standard amount was determined by the Rent Reduction Committee in each locality to conform with current conditions. As long as the lease remains in force, this standard amount is not subject to change. As a result of the reform, not only the customary amount of rent is reduced, but the increased production from the land resulting from the tenants' extra efforts (such as the increasing use of fertilizers, improvement in farming practice, etc.) is fully enjoyed by the tenant themselves; the basis for rent calcualtion is fixed and not subject to change.[6]

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[6] T'ang Hui-sun, "Steps in the Implementation of Land Reform in Taiwan," in Land Reform in Free China, published by Free China Review, Taipei, May 1, 1953, pp. 8-9.

403 In case of crop failure, the tenant
420 farmer may request the Farm Tenancy Committee of the village, township, or district office to investigate the extent of loss and decide on measures for the reduction of rent. Should the total yield be less than 30 per cent of the normal yield, the entire rent payment shall be remitted.[7]

To guarantee the security of tenure it is further provided that all lease contracts between the landlord and the tenant must be written and registered with the government. The Farm Rent Reduction Act of 1951 specifies that the period for which farm land is leased shall not be shorter than six years. If the period originally agreed upon is longer than six years, it shall remain unchanged.[8] At the expiration of the lease, the right of the landlord to take back his own land is subject to many restrictions.[9] Even if the land is offered for sale, the tenant has the right to continue using the land during his tenure. In other words, the landlord may transfer his right of ownership, but not the right of use.

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[7] See Article II, Farm Rent Reduction to 37.5% Act, promulgated by the Chinese National Government on June 7, 1951.

[8] *Ibid.*, Article V.

[9] *Ibid.*, Article XIX.

423 The benefits of the rent-reduction program
427 are noticeable in the improvement of the
511 tenant farmers' living conditions. The saving
in rent payments, amounting 25-30 per cent
of their gross income, can now be used to buy
new clothing for their families, to send their
children to school, to repair their houses, or
to purchase farm land. They also work harder
423 because any increace in production accrues to
433 them. This factor contributed to the substantial
annual increase of rice production from 1949
to 1954.

Production of Unhulled Rice*

Year	Metric Tons
1949	1,215,000
1950	1,421,000
1951	1,485,000
1952	1,570,000
1953	1,642,000
1954	1,695,000

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* Taiwan Economic Data Book, compiled by FAO Mission to China, Part II, Vol. III, March 1955, Taipei, p. 5. The average production of rice perhectare increased from 1,624 kilograms in 1949 to 2,183 kilograms in 1954. Central Daily News, Oct. 22, 1955, p. 3.

423 425 427 Another effect of the rent reduction is the steady decline in the price of land cultivated by tenant farmers, because the reduction of rent has lessened the landlords' interest in making investments in land and stimulated their desire to sell it. At the same time, the increase of farm income has enabled some tenant farmers to buy land. According to the statistics of the enforcement of the Rent Limitation Program compiled by the Provincial Land Bureau, 66,328 tenant families bought 35,522 *chia* (85,139 acres) during the five-year period[10] from 1949 to 1953.

B. Sale of Public Lands

423 The reduction of rent relieves the tenant farmer of his excessive financial burden, but it does not satisfy his wish to own the land he tills. The ultimate object of land reform is to help the tenant to realize his cherished dream of owning the land he and his forefathers have tilled for decades.

Over 20 per cent (181,490 *chia* or 434,900 acres) of the total arable lands[11] in Formosa belonged to the government. They

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[10] T'ang Hui-sun, *op. cit.*, p. 64.

[11] Total area of farmland in Formosa in 1949 was 891,689 *chia*, or 1,137,200 acres, and public land amounted to 181,490 *chia*, or 434,000 acres.

423 had been the property of the Japanese colonial government and included large areas owned by Japanese industrial enterprises. When the island was retroceded to China, all the lands formerly owned by Japanese nationals were expropriated by the Chinese Nationalist Government.

In May 1951 the Nationalist Government decided to sell public lands to farmers as the initial step in the implementation of the land-to-the-tiller policy. Prior to the sale, 60 per cent had been leased to tenants at a low rent, generally 25 per cent of the annual yield. The measures for the sale of public farmland for the creation of owner-farmers in Taiwan were approved by the Executive Yuan on May 30, 1951. Approximately 90,000 *chia* (216,000 acres) of public lands were offered for sale. Of the public lands retained for public use, the largest part was retained by the Taiwan Sugar Corporation for the growing of sugar cane, and the remainder was kept by various government departments and schools for their own specific uses.[12]

The public lands offered for sale were sold mostly to the original tenant farmers. The

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[12] T'ang Hui-sun, *op. cit.*, p. 67.

423 price was fixed at 2.5 times the value of the annual main crop,[13] and was to be paid off in ten annual equal installments, each of which was not to exceed, including the land tax, 37.5 per cent of the value of the total annual main crop yield of the land purchased.[14] As the land value was appraised at 2.5 times the total annual main crop, each of the ten yearly installments would be 25 per cent of the total main crop yield, or the equivalent of the annual rent which the farmer had been paying as lessee before he made the purchase. So the transfer of ownership from the state to the tenant farmer was accomplished without increasing in the least the financial burden of the farmer.

The public lands were offered for sale in five groups from 1951 to 1953. A total of 63,000 chia (151,000 acres) or nearly 70 per cent of the total area designated for sale, was purchased by 77,211 families. The remaining 30 per cent of public lands were struck off the official list for sale because they were found to be too poor in fertility or lacked irrigation facilities for proper cultivation by

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[13] Article VIII of the Measures for the Sale of Public Farmland for the Creation of Owner-Farmers in Taiwan.

[14] Ibid., Article IX.

423 private individuals.

C. Redistribution of Private Lands

As a basic preparation for the final consummation of the land-reform program -- the redistribution of the private lands -- a general landownership classification was undertaken by the Taiwan Provincial Government with the technical assistance of the Sino-American Joint Commission on Rural Reconstruction. "A total of 4,039,685 Land-Record Cards, involving 3,972,112 plots of registered land, of 1,046,892 Landownership Cards involving 829,864 families of landowners, and of 1,574,846 Joint Ownership Cards, involving 1,480,227 plots of land was compiled."[15] From the new Land-Record Cards new cadastral statistics were compiled to serve as a basis in mapping out projects for the redistribution of farmland. This gigantic undertaking was completed in June 1952. Mr. Worf I. Ladejinsky, the American expert on land problems who had planned the postwar land reform in Japan, was invited to Formosa for consultations. On July 24, 1952, in order to give the proposed program an added impetus, the Kuomintang passed a resolution to the effect

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[15] T'ang Hui-sun, op. cit., p. 100.

403 that a land-to-the-tiller program shall be enforced in Taiwan beginning from January, 1953; all Kuomintang members in responsible government positions shall regard this as the central task for the year, and all activities of the Kuomintang shall be effectively co-ordinated therewith.

The Land-to-the-Tiller Act was drafted by the Provincial Government on August 13, 1952, approved by the Executive Yuan on November 12, and enacted into law by the Legislative Yuan on January 20, 1953. Its main provisions are: (a) All tenant-cultivated land exceeding 3 chia (7.19 acres) of medium grade paddy field or 6 chia (14.38 acres) of medium-grade dry land[16] shall be purchased by the govenment for resale to the tenant farmers.[17]

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[16] Farm lands in Formosa are classified into 26 grades according to their productivity. Lands from the 7th to the 12th grade are considered medium grade. If the acreage of land under self-cultivation already exceeds the retention limit, no portion of the tenanted land shall be retained by the landlord.

[17] Article 10 of the Land-to-the-Tiller Act.

423 (b) The price of the land to be purchased by the government shall be calculated at two and a half times the total amount of its annual main crop yield, and the purchase price of the land shall be paid 70 per cent in land bonds redeemable in kind and 30 per cent in government enterprise stocks.[18] (c) Farm land purchased by the government shall be resold to the present tiller. The resale price shall be the same as the purchase price, plus 4 per cent interest, payable also in kind in ten equal annual installments.[19] The amount of land a tenant farmer may purchase is restricted by the same rule that applies to owner-cultivators. (d) The annual aggregate burden to be borne by the tenant-purchasers, namely, the annual installments of the purchase price, the interest, the land tax, surtax, water charge, and household tax, shall not exceed that presently borne by a tenant under the 37.5 per cent rent limitation program. (e) In case of crop failure due to natural causes, the tenant-purchaser may be permitted to defer the payment of the installment of that particular year. A 30 per cent postponement will be allowed in case the crop failure is less than 30 per cent; 50 per cent in case of crop failure

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[18] *Ibid.*, Articles XIV and XVI.

[19] *Ibid.*, Article XIX and XX.

423 less than 40 per cent; and 100 per cent postponement if the crop failure is over 50 per cent.[20]

453 Land Bonds in rice and sweet potatoes
662 were issued by the Taiwan Provincial Government to pay for 70 per cent of the value of land to be acquired by the government for resale. Rice and sweet potato are the two principal farm products on Formosa, rice being raised in paddy fields and sweet potatoes on dry land. Rice Bonds are used to pay for the paddy fields and Sweet Potato Bonds to pay for dry land. It was estimated that 179,000 chia (429,000 acres) or 70 per cent of the tenanted land should be purchased by the government under the Land-to-the-Tiller Act,and so Land Bonds equivalent to 1,260,000 metric tons of rice and 440,000 metric tons of sweet potatoes was issued. The amortization of principal and the payment of interest are entrusted to the Taiwan Land Bank. The principal and interest of Rice Bonds are paid in rice, while those of Sweet Potato Bonds are paid in cash by conversion at the market price at the time of maturity of the installment.[21] Based on commodities, the value of Land Bonds is not subject to fluctuation

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[20] Ibid., Article XXVI.

[21] Ibid., Article XI.

473 due to changes in the value of the currency.
662 The other 30 per cent of the purchase price is paid by the transfer of the stocks of government-owned enterprises. The stocks of the Taiwan Cement Company, the Taiwan Paper and Pulp Corporation, the Taiwan Agriculture and Forestry Corporation, and the Taiwan Industrial and Mining Corporation were to be transferred to the landowners as part payment for land purchased.

The Land-to-the-Tiller Program was launched on February 1, 1953. A limit of one year was set for its completion. By the end of 1953, a total of 143, 568 chia (344, 104 acres) had been purchased by the government from 104, 049 landlords and resold to 195, 823 tenants and part-tenants. A total of Land Bonds equivalent to 889, 123 metric tons of rice and 315, 476 metric tons of sweet potatoes were actually issued. The Taiwan Cement Company, the Taiwan Paper and Pulp Corporation, and several plants belonging to the Agricultural and Forestry Corporation and to the Industrial and Mining Corporation have been sold to the landlords. The total value of government industrial stocks paid to landowners as

423 662 compensation amounts to NT$659,774,640.[22]

D. Urban Land Reform

In addition to the reform program for 423 rural land, the Chinese Nationalist Government on August 26, 1954, issued regulations governing the equalization of urban land ownership. The aim of the new law is to curtail speculation by preventing the concentration of ownership and to tax the unearned profit from the rising price of urban land. The main features of the law are restriction of the acreage of land an individual or a body corporate may possess, and the levy of progressive taxes over the value of the land and its increment.

Under the new law a private landowner may not own more than one-tenth of a hectare

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[22] This cash equivalent is obtained by converting the 30 per cent payment in rice and sweet potatoes according to the average market price of these two items in December 1952. To prevent the concentration of the stock of any one enterprise in the hands of large landowners, it is provided in the Rules Governing the Transfer of Public Enterprises to Public Ownership that the 30 per cent compensation to landlords would be paid seventy per cent with the government stocks of the Cement Corporation and the Paper and Pulp Corporation, and thirty per cent with those of two other corporations.

423 (0.248 acre) of urban land. Any excess portion should be sold in two years, after which period the hsien or municipal government could expropriate it at the assessed value. The area of urban land devoted to industrial use shall be determined according to the requirement in each case.[23]

423 As to taxation, the higher the price of
651 the land, the heavier will be the tax. The minimum is 1.5 per cent and maximu, 6.5 per cent. The land value increment tax is levied at the time of any transfer of ownership or at the completion of a ten-year period. Any increase of value from previous transfer shall be taxed progressively from 30 per cent to 100 per cent.[24]

423 It is estimated that 10,000 hectares (24,700 acres) of urban land throughout the province will be affected by the new regulations.[25] The steady growth of population, better communication facilities, and more prosperous industry and commerce have caused a great
[455] advance in land price. Urban land has become the object of speculation. The need for reform of urban land is as evident as the need for reform

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[23] Article XXXIV and XXXV, Regulations Governing the Equalization of Urban Land Ownership.

[24] Ibid., Articles XX and XXI.

[25] United Nations, Economic Survey of Asia and the Far East, 1954, Bangkok, Feb. 1955, p. 89.

423 of farm land. The provincial authorities have already assessed the value of land in various cities and towns, and the registration of architectural improvements has been completed. It is reported that the new measures will be enforced in June 1956.

III. ASSESSING THE REFORM PROGRAM

The results of the land reform program in Formosa are shown in the statistics tabulated below.

Land Tenure 1949-53*
(One chia = 2.3968 acres)

Year	Owner-Cultivated Land	Tenanted Land	Land Retained For Public Use	Total
1949	450,224 (50.5%)	366,934 (41.1%)	74,531 (8.4%)	853,564
1950	458,359 (51.1%)	364,746 (40.6%)	74,531 (8.3%)	891,689
1951	492,255 (54.6%)	334,189 (37.1%)	74,531 (8.3%)	897,636
1952	517,059 (57.2%)	311,683 (34.5%)	74,531 (8.3%)	900,975
1953	681,346 (75.4%)	147,396 (16.3%)	74,531 (8.3%)	903,273

* T'ang Hui-sun, Land Reform in China (previously cited), pp. 14 and 18.

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Land Purchase by Tenant-Farmers 1949-53[*]

	Area (in *chia*)[#]	Number of New Owner-Farmers
Direct from owners	35,522	66,328
Public Land	63,000	121,953
Under Land-to-the-Tiller Act	143,568	194,823
Total	242,090	383,104[x]

[*] *Land Reform in Free China*, p. 18.

[#] One *chia* = 2.3968 acres.

[x] This figure is not exact, because a tenant-farmer who has purchased two lots of land is counted twice. A commissioner of JCRR, Mr. William H. Pippin, recently announced that the number of new owner-farmers is 320,000 (*Central Daily News*, Taipei, October 22, 1955).

Farm Land Before and After the Implementation of Land Reform*

(in chia)#

Public Land

	1949		1953	
Retained by public bodies for their own use	74,531	(41.1%)	74,531	(41.1%)
Leased to tenants	106,959	(58.9%)	43,959	(24.2%)
Sold to farmers	-	-	63,000	(34.7%)
Total	181,490		181,490	

Private Land

	Dec. 1949		June 1952		Dec. 1953	
Owner-cultivated	372,964	(55.5%)	418,503	(61.4%)	577,717	(84.8%)
Private-tenanted	299,395	(44.5%)	262,651	(38.6%)	103,437	(15.2%)
Total	672,359		681,154		681,154	

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* From Statistics compiled by the Provincial Land Bureau and Agricultural Yearbook, 1953 edition.

# One chia = 2.3968 acres

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423 From these summaries we can assume
427 that the land reform program not only has succeeded in doing away with the exorbitant rental that the Formosan tenants were obliged to pay, but has succeeded in changing 383,104 tenant-farmers to owner-farmers. In five years the area of tenanted land has been reduced from 41.1 per cent to 16.3 per cent of the total farm land. Land reform is certainly the most noticeable achievement of the Chinese Nationalist Government since the island reverted to its control.

The measures of land reform in Formosa are both moderate and equitable, and have been well supported by the general public, although some complaint and opposition did arise from the landlords who had been deprived of the opportunity to exploit their tenants and who had been forced to sell their surplus land to the government. But the interests of the landlords have not been altogether neglected. They are reasonably compensated, and to guard against the loss by possible inflation, they are repaid yearly with commodities, not with currency. Part of their compensation is paid with industrial stocks, thus turning capital investment from agricultural into industrial channels. They fare better than the large Japanese landowners. The Japanese Land Reform Act of 1946 was imposed by the Allied occupation forces. The landlords were paid with government bonds, the value of which

423 427 was entirely wiped out by subsequent devaluation of the currency. The Formosan landlord should be especially contented, when he ponders the lot of his brothers on the Mainland. In sharp contrast with the moderate measures in Formosa, the Communists liquidate the landlords, confiscate their land, and make collective serfs of the peasants. The effect of the land reform in Formosa is expected to be more far-reaching than the economic betterment of the peasant class; it is an important asset of the Nationalist Government in anticipation of the liberation of the China Mainland.

423 241 In connection with the successful redistribution of land in Formosa, it should be added, however, that we must not assume the economic problems of the Formosan farmers who comprise 52 per cent of the total population have been completely solved. First of all, the average size of the farm is too small for economic sufficiency, for 47 per cent of farmer families own less than 0.5 chia (1.2 acres) of farm land, 70 per cent own less than one chia (2.4 acres) and 93 per cent less than three chia (7.2 acres).[26] The average

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[26] From Statistics on Landownership Classification in Taiwan China, 1952, compiled by Provincial Land Bureau, Taipei, June 1952.

423 land owned by each farming family in Formosa 241 is 1.28 chia or 2.8 acres as compared with 215.3 acres owned by each farming family in the United States.[27] The small size of the farms limits the living standard and the purchasing power of Formosan farmers. Even the small parcel of land owned by the average farmer is threatened with further partition on account of the enormous rate of natural increase in population. The average size of farms on Formosa has decreased from nearly 2 chia (. 5 acres) in 1937 to the present 1.3 chia. Unless industrialization of the island can divert members of the growing farming families to industrial enterprises, the size of farmland per family will be further reduced through inheritance and will become too small to maintain even a marginal subsistence. It will be indeed a serious situation. Furthermore, for lack of capital, and relying principally on human labor, the efficiency of Formosan farming is low, and the cost of production is 387 high. The soil of the western coastal plain is 241 alluvial, lacking sufficient humus to be fertile. Fertilizer is needed to increase its productivity.[2

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[27] Report of United States Bureau of the Census for 1950.

[28] The application of fertilizer to riceland in Formosa averages 50 pounds per acre per crop, whereas in Japan, the figure is 66 to 98 pounds.

387 241 The Chinese Nationalist Government with American aid has made special effort to expand the production of fertilizer in the past five years[29] and make it available to the farmer through the Land Bank of Taiwan and the farmers' associations. The Kaohsiung Ammonium Sulfate Corporation reduced the selling price of fertilizer, from NT$3,100 to NT$2,800 per metric ton in June 1954 and then to NT$2,200 in August 1954. But the present production still falls short of the estimated annual requirement of 740,000 metric tons.[30]

241 407 At present, farm mechanization is in its infancy. Little power is employed in agricultural production. Farm implements are crude and clumsy; they do not plow deeply and evenly, and so the distribution and the depth of the seeds sown are not uniform. The Sino-American Joint Commission on Rural Reconstruction is sponsoring many projects to

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[29] Production was increased from 45,840 metric tons in 1949 to 168,491 metric tons in 1954.

[30] The amount of fertilizer actually used in 1952 was 535,801 metric tons--(732,600 short tons), JCRR General Report IV, Taipei, 1953, p. 55.

241 409 improve the designs of local farm implements -- the plow, the hoe, the sickle and the rice thresher; it is also introducing the use of hand-operated semi-automatic sprayers and rotary dusters. A demonstration of mechanized farming was made on an abandoned pineapple farm in Laopei. It was found that, with deep sub-soiling and deep plowing by a tractor, the cost of production can be reduced from 35 to 40 per cent. This clearly proves that land reform is but one step toward the amelioration of the economy of the farming population in Formosa. In order to raise the standard of living of the farmer, when the arable area is limited and the average holding is small, the per unit and per capita yield must be increased. To enhance a program of productive efficiency, which would include the application of greater amounts of fertilizer, the mechanization of the farms, and other improvements of agricultural techniques, the farmer himself must learn these modern methods in order to increase the value of the land he holds.

Annex "A," Subparagraph 3a, Economic Background

AGRICULTURE

I. INTRODUCTION

241 162 431 Formosa's economy is predominantly agricultural. Household registration in 1950 indicates that of a gainfully employed male population of 2.1 million, roughly 57 per cent were farmers.[1] The Taiwan Agricultural Yearbook reports that about 52 per cent of the total population in 1953 were directly dependent on agriculture for a living.[2] Approximately 49 per cent of the total national income in 1951 was derived from agriculture.[3]

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[1] George W. Barclay, A Report on Taiwan's Population, Princeton, Princeton University Press, 1954, p. 59.

[2] Provincial Government of Taiwan, Taiwan Agricultural Yearbook, 1954, Taipei, 1954, p. 1.

[3] Industrial Development Commission, Economic Stabilization Board, Industry of Free China, November 1954, Vol. 2, No. 5, Taipei, p. 7. Agriculture is defined to mean all productive activities involved in farming, livestock-raising, forestry, and fisheries.

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241 The importance of agriculture to the national
434 economy is made more obvious by the fact that a large percentage of Formosan industries involve the processing and transporting of agricultural commodities. Agriculture products also provide an important source of foreign exchange for the island. In 1953, total
[153] exports amounted to approximately US$130,000,000, of which over 90 per cent was derived from the export of agricultural products.

241 The climate in Formosa is eminently suitable for agricultural production. The tropical and sub-tropical atmosphere and abundant rainfall in most parts of the island encourage the cultivation of rice, sweet potatoes, sugar cane, tea, bananas, and vegetables. Rice cultivation is carried on in all parts of the island; sugar cane, sweet potatoes, and peanut are grown in the central and southern sections; tea is cultivated in the northern districts.

648 During the Japanese occupation of
241 Formosa, the policy of economic development was geared to the economic needs of the Japanese Empire. When a shortage of rice was felt in Japan, rice was produced in

648 greater abundance in Formosa. Japan's
241 inability to purchase sugar in the international market was balanced by the great quantity of sugar produced in Formosa. Japan's greatest economic efforts on the island were concentrated upon agricultural production in order to exploit to the full Formosa's agricultural potential.

Table 1. Crop Production, 1902-1939*

	Arable Land (1,000 *ko*)	Rice (1,000 *koku*)	Sugar Cane (million *kin*)	Sweet Potatoes (million *kin*)
1902	451	2,821	1.1	501
1925	780	6,443	8.8	1,909
1939	886	9,152	21.4	2,132

* *Taiwan keizai nenpo, 1941* [*Taiwan Economic Annual, 1941*], Tokyo, Taiwan keizai nenpo kankohai, 1941, Appendix. One *ko* = one *chia*; one *ko* = 0.961 hectare. Koku is a Japanese measure of volume. One *koku* of brown rice weighs approximately 188 kilograms. One *kin* (Taiwan catty) = 1.31 pounds, or 0.597 kilogram.

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II. ARABLE LAND

433 311 The amount of arable land available for agricultural production was more than doubled during the period of Japanese rule. With improved production techniques and methods of irrigation, there was a twentyfold increase in sugar cane, a fourfold increase in sweet potatoes, and a threefold increase in rice production. The production of pineapple increased over a hundred times.

By 1936, Japan turned its efforts toward the development of industry on Formosa. This was due, in part, to wartime needs as well as to the fact that the development of available arable land had reached its limit. Yet agricultural production under the Japanese set a record that required more than five years' effort after World War II to surpass.

Today, it is generally believed that Formosa has exhausted the possibilities of its arable land. However, if better fertilizer, improved seed, new farming techniques, and adequate pest control are introduced, it

433 would seem possible for the island to produce
311 more food to meet the needs of an increasing population. It is also possible that irrigation projects, now in the planning stage or but recently begun, may increase the amount of irrigated land available.

Table 2. Cultivated Land*
(1,000 hectares)

	Paddy Fields	Others	Total
1945	504.7	311.3	816.0
1949	528.1	336.8	864.9
1953	533.3	339.4	872.7

* Taiwan Provincial Government, Taiwan Agricultural Yearbook, 1954, Taipei, 1954, p. 20.

Steep and rugged mountains cover the major portion of Formosa. The island's total land area has been estimated at 3,596,000 hectares, of which only 24 per cent is considered suitable for agricultural purposes. For the past eighteen years, the

311 total arable land has remained more or less constant, in spite of the fact that some land along the eastern coast of the island as well as some 300,000 hectares of grass land in the mountains might be developed either for crops or as grazing land if the expense of such projects did not seem to indicate that the cost would be prohibitive.[4] When the [55] Shihmen dam and reservoir project is completed, waste land on the banks of Tanshui River can be converted into paddy fields. It is believed that the completion of the dam will make possible the reclamation of at least 54,000 hectares.[5]

241 Paddy fields constitute about 60 per cent of the total cultivated land in Formosa. They are classified in two categories -- double-cropping fields and single-cropping fields. The former yields two crops of rice each year. Between rice crops, one crop of vegetables is planted and harvested. In single-cropping fields, besides one crop of

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[4] Table 196, "Summary of Statistics of Taiwan for the Past Fifty-one Years," Taiwan Agricultural Yearbook, 1954, p. 20.

[5] Chung-yang Jih-pao [The Central Daily News], Taipei, July 1, 1955.

241 rice, one or two crops of sweet potatoes, peanuts, wheat, or flax are planted, the number depending upon the time necessary for the harvest. The fertility of the soil is heavily taxed by the practice of multiple-cropping, and the intensive use of fertilizer is necessary. Ch'en Cheng-hsiang places the index of multiple-cropping at about 160 per cent -- the ratio of crop area to cultivated area.[6]

III. FARM PRODUCTIVITY

241 432 The productivity of Formosan farmland seems to depend upon the intensity of cultivation. It has been reported that the average yield per chia of both first and second

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[6] Ch'en Cheng-hsiang, T'ai-wan T'u-ti Li-yung [Land Utilization in Taiwan], Taipei, National Taiwan University and Joint Commission on Rural Reconstruction, 1950, pp. 95-96. The per cent quoted is an average for the period 1938-42. The index may be slightly higher in recent years as the land is utilized to greater advantage and the practice of multiple-cropping is used to increase production.

(Table 3 faces p. 536.)

Table 3. Selected Crops - Yield Per Hectare*
(in kilograms)

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	Prewar Peak Years	1945	1949	1950	1951	1952	1953	1954
Rice	2, 242 (1938)	1, 273	1, 624	1, 845	1, 882	1, 998	2, 109	2, 183
Sweet Potatoes	12, 734 (1937)	8, 650	9, 172	9, 443	8, 737	8, 953	9, 576	10, 459
Sugar Cane	78, 860 (1939)	38, 628	50, 606	48, 064	45, 237	49, 003	74, 136	
Wheat	628 (1941)	296	720	1, 042	1, 058	1, 139	1, 058	1, 403
Crude Te	375 (1917)	61	283	279	294	305	305	291
Soybean	520 (1922)	264	594	618	577	602	617	683
Jute	667 (1939)	326	797	766	894	1, 242	787	

* Taiwan Agricultural Yearbook 1954, Taipei, 1954, pp. 1-81. Yields for the prewar peak years are calculated by the author from the same source. The 1954 figure are from China News Press, China Agnual 1954, Taipei, 1954, Vol. 3, pp. 6-7.

(facing p. 536)

241 433 rice crops tends to decrease as the size of the farm increases.[7] The smaller the farm, the more intensive the cultivation, the higher the yield. Productivity also varies according to the fertility of the land and the effici[illegible] of the cultivation.

241 As a rule, farmers on the island do not regard farming as a source of profit but as a means of insuring the subsistence of their families.[8] Those who make their livelihood by growing rice will continue to grow rice even when other crops seem to offer a greater margin of profit. To them , rice is their sole security, and they use rice to pay their taxes, to barter for other commodities, and to feed their families. Rice becomes "money in the bank."

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[7] The chia is a local measure of land area = 2.4 acres.

[8] Bank of Taiwan, Economic Research Department, T'ai-wan Yin-hang Chi-k'an [Bank of Taiwan Quarterly], Vol. 5, No. 4, March 1953, Taipei, pp. 1-27.

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433 The yield per unit area of various crops has been increasing steadily since 1945. However, the highest yields in the postwar years are lower than the highest yields in the prewar period. Any number of reasons has been advanced to explain this failure to regain prewar productivity. Less chemical fertilizer is available at present. Lack of funds has postponed extensive development of arable land. The percentage of spoilage each year is high because storage facilities are inadequate. Serious losses have been caused by insects and blight. When these problems are solved, according to the Joint Commission on Rural Reconstruction, the yield per hectare can be increased, as follows:

	Feasible Goals (kg. /hectare)
Rice	2,500
Sweet Potatoes	13,000
Peanuts	1,000
Sugar	10,000
Crude Tea	500
Bananas	12,000
Pineapples	14,000

These goals represents increases in per hectare yield of amount varying between 10 and 50 per cent of highest yields achieved in

241 438 the postwar years. These goals can be attained without the expansion of present planted acreage and are more optimistic than the goals contemplated for 1956 in the Formosan Four-Year Plan.[9]

If the per unit yield can be increased and additional land is made productive, there is no reason why Formosa cannot substantially expand its yearly production. Rice is now planted on approximately 780,000 hectares of land; upon the completion of Shihmen dam and reservoir, it will be possible to grow rice on 835,000 hectares. If the yield per hectare is 2,500 kilograms, the total yield will be 2,100,000 metric tons, enough to feed 14 million people.[10]

IV. FARM MECHANIZATION

241 407 As in most undeveloped countries, agriculture in Formosa is conducted on a primitive basis. The average farmer has only

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[9] The Four-Year Plan, begun in 1952, is designed to bring about the economic independence of Formosa by increased production in agriculture and industry.

[10] The Central Daily News, July 1, 1955.

(continued next page)

241 407 his strong back and a few simple implements. If he is fortunate, he owns a water buffalo. The Taiwan Sugar Corporation owns 500 tractors, but this is the only large-scale use of farm machinery on the island. Mechanization would help to increase farm yields, but many difficulties are presented by the small size of the fields and the many natural obstacles to any plan which calls for the co-operative use of farm machinery. Moreover, private ownership of tractors or other modern farm implements is prohibitively expensive, and the farmer has no experience in repair and maintenance of such machines. On the other hand, water buffaloes are of value to the farmer as a source of fertilizer, meat, and hides.[11] Additional study is necessary to determine whether extensive mechanization of agriculture would be economical for Formosa.

V. DOMESTIC CONSUMPTION

241 438 Formosa, as a rule, has produced sufficient agricultural products to meet the

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10. (continued) The Shihmen dam and reservoir will increase the irrigated land in Formosa by approximately 55,000 hectares.

[11] Norton S. Ginsburg, Economic Resources and Development of Formosa, New York, Institute of Pacific Relations, 1953, p. 38.

241 433 demands of domestic consumption. Surplus rice is exported each year, and the supply of vegetables is considered adequate. Meat 262 is expensive, and the ability to buy meat determines socio-economic position in Formosan society. Data on dietary habits, 146 433 caloric requirements, and so forth are not available, probably because extensive surveys have never been conducted on the island. There is no way of ascertaining basic food requirements to maintain a desirable nutritional level.

433 The Provincial Food Bureau has estimated the per capita rice requirement for civilians to be 143.4 kilograms, and for the military, 308 kilograms. (These figures do not provide for surplus storage, waste, spoilage, or seeds.) Rice requirements for the next ten years may be estimated as indicated in Table 4. Note that the size of the military force on Formosa is assumed to remain constant (600,000).

Table 4. Rice Requirements for 1955-56*
(in 1,000 metric tons)

Year	Estimated Population (1,000)	Civilian Rice Requirements	Military Rice Requirements	Total Requirements
1955	10,400	1,405.3	184.8	1,590.1
1956	10,712	1,450.1	184.8	1,634.9
1957	11,033	1,496.1	184.8	1,680.9
1958	11,364	1,543.6	184.8	1,728.4
1959	11,705	1,592.4	184.8	1,777.2
1960	12,056	1,642.8	184.8	1,827.6
1961	12,418	1,694.7	184.8	1,879.5
1962	12,790	1,748.1	184.8	1,932.9
1963	13,174	1,803.1	184.8	1,987.9
1964	13,569	1,859.8	184.8	2,034.6
1965	13,976	1,918.2	184.8	2,103.0

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* The estimated population for 1955 is based on the study of population in this handbook. Population for subsequent years is calculated on the assumption that annual increase will be approximately 3 per cent.

The civilian population is each year's population minus a constant armed forces of 600,000 men. Per capita rice consumption is assumed to be 143.4 kg. a year. Military per capita rice consumption is 308 kg. a year. These per capita estimates are based on statistics furnished by the Provincial Food Bureau.

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433 Since Formosa produces as much as 1,700,000 metric tons of rice each year, there is no reason why the island cannot maintain its present surplus until 1958, provided that nothing affects productivity. After 1958, there will be a shortage of rice, unless productivity is increased. If per hectare yield should be increased to 2,500 kilograms per year, and planted acreage expanded to 835,000 hectares, as has been projected in the Four-Year Plan, Formosa's annual rice supply will be sufficient for domestic consumption until 1965.

VI. MAJOR CROPS

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433 The most important food crops produced on Formosa are rice and sweet potatoes. These two crops in 1953 accounted for approximately 60 per cent of total production (rice, 52.8 per cent; sweet potatoes, 7.2 per cent). Of special crops, sugar cane accounted for 13 per cent, vegetables, 3.2 per cent, peanuts, 1.8 per cent, crude tea, 1.5 per cent, tobacco, 1.2 per cent; and bananas, 0.8 per cent.[12]

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[12] Taiwan Agricultural Yearbook 1954, Taipei, 1954, pp. 30-31.

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231 The raising of hogs is Formosa's third most profitable endeavor, only surpassed by the annual crops of rice and sugar cane. Pork and fish are the major sources of protein in the diet of the islanders. The annual production of various agricultural produce is presented in Tables 5, 6 7, and 8.

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Table 5. Food Production*
(in 1,000 metric tons)

	Rice	Sweet Potatoes	Soybeans	Peanuts	Wheat
1937	1,319	1,770	6	32	1
1938	1,402	1,726	6	28	1
1939	1,307	1,279	4	28	6
1940	1,129	1,512	3	29	4
1941	1,199	1,693	3	22	7
1942	1,171	1,556	3	13	6
1943	1,126	1,406	3	10	2
1944	1,068	1,521	5	12	2
1945	639	1,165	2	12	1
1946	894	1,331	4	37	1
1947	999	1,783	10	47	4
1948	1,068	2,003	12	53	6
1949	1,215	2,166	12	53	10
1950	1,421	2,201	13	57	19
1951	1,485	2,021	13	61	15

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1952	1,570	2,090	15	60	17
1953	1,642	2,277	17	60	14
1954	1,695	2,324	17	67	15
1955	1,633	2,290	24	70	19

* Data for the years 1937-53, from Foreign Operations Administration Mission to China, Taiwan Economic Data Book, Part II, Volume III, Taipei, 1955; for 1954, from Industrial Development Commission, Industry of Free China, Vol. 3, No. 4, April 1955, Taipei; for 1955 from the Central Daily News, February 3, 1956.

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Table 6. Commercial Production*

	Sugar Cane	Tea	Citronella	Jute
	(in 1,000 metric tons)			
1937	8,563	13	-#	9
1938	9,061	13	-*	14
1939	12,822	14	-*	15
1940	9,977	12	273	11
1941	8,392	12	174	7
1942	10,250	12	319	11
1943	10,092	8	201	7
1944	8,468	4	35	4
1945	4,159	1	29	2
1946	1,007	3	12	1
1947	796	7	61	3
1948	3,116	8	213	11
1949	6,194	10	380	9
1950	5,861	10	762	7
1951	3,585	10	1,274	11

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1952	4,801	12	2,561	20
1953	8,394	12	2,527	5
1954	6,130	13	-	12
1955	-	14	-	19

* Data for 1937-53, Taiwan Economic Data Book, Part II, Volume III; for 1954, Industry of Free China, Vol. III, No. 4, March 1955; for 1955, the Central Daily News, February 3, 1956.

# February 3, 1956 not available.

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Table 7. Production of Fruit*

	Pineapple	Banana	Citrus
	(in 1,000 metric tons)		
1937	108	219	33
1938	116	202	36
1939	146	182	35
1940	129	169	32
1941	130	191	39
1942	116	196	34
1943	94	142	29
1944	43	65	21
1945	18	32	17
1946	17	53	20
1947	40	124	25
1948	39	110	28
1949	43	98	27
1950	46	117	28
1951	52	100	27

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1952	63	107	28
1953	68	96	29
1954	62	109	31
1955	64	90	33

* Data for 1937-53, from Taiwan Economic Data Book, Part II, Volume III; for 1954, from Industry of Free China, Vol. III, No. 4 April 1955; for 1955 from the Central Daily News, February 3, 1956.

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(Table 8 follows p. 550.)

Table 8. Production of Livestock*
(in 1,000)

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	Hogs	Cattle	Chickens	Ducks
1937	1,849	358	7,073	1,958
1938	1,827	325	7,095	2,023
1939	1,653	325	6,680	1,931
1940	1,205	300	-#	-
1941	1,158	309	-	-
1942	1,358	312	-	-
1943	1,257	325	4,543	1,896
1944	862	331	3,837	1,358
1945	578	291	3,998	1,136
1946	768	280	4,555	1,647
1947	1,006	298	5,119	2,247
1948	1,167	310	4,525	1,985
1949	1,362	357	4,989	2,217
1950	1,620	365	5,143	2,547
1951	2,262	375	5,387	2,991
1952	2,611	383	5,593	2,912
1953	2,820	390	6,165	3,103

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* Data on hogs and cattles are from *Taiwan Economic Data Book*, Part II, Vol. III; on chickens and ducks 1937-39, from *Taiwan keizai nenpo 1941* [*Taiwan Economic Annual 1941*]; for 1943-53, from *Taiwan Agricultural Yearbooks*.

# Not available.

[table 8 follows p. 550]

A. Production of Rice

433 The production of rice has increased steadily in the postwar years; production in 1950 exceeded the 1938 production level peak achieved by the Japanese. However, because relatively less fertilizer is available for use, the per hectare yield of Formosan fields has not reached the record yield of 2.242 kilograms achieved under Japanese rule. Rice exports have been sacrificed to meet the domestic requirements of the swelling population of the island. In 1938, nearly 50 per cent of the 1.4 million metric tons of rice produced was exported; in 1954, only 36,000 metric tons of rice were available for export in spite of the fact that nearly 1.7 million metric tons were produced in that year. Such a drastic decrease in rice export has affected the dollar reserves of the Formosan people and made it difficult for the country to import the industrial goods necessary for continued economic development.[13]

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249 Rice and sugar cane, the two most valuable crops, compete for use of land

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[13] Industrial Development Commission, Industry of Free China, Vol. 3, No. 6, June 1955, p. 80.

243 resources. Since rice cultivation and
249 harvesting takes about four months and sugar
cane takes anywhere from fifteen to seventeen
months before it can be harvested, rice has
gradually taken the lead. Competition for
land is especially keen in the area near
Taichung, where paddy fields can be used
either for the cultivation of rice or of sugar
cane.

243 There are four main types of rice grown on Formosa -- Ponlai rice, native rice, upland rice, and glutenous rice -- and many varieties. Ponlai rice was introduced in Formosa during the Japanese occupation because it suited the tastes of the Japanese. It remains the most popular type of rice cultivated on the island because it has a high yield and good milling quality. Ponlai rice accounts for approximately 55 per cent of current rice production.

B. Production of Sweet Potatoes

244 Sweet potatoes are the second most
important food stuff produced on Formosa.
They are a staple of diet and are also used as
raw material for alcohol and yeast as well
as for hog feed. The major part of the annual
251 crop of sweet potatoes is sun-dried to produce
chips which can be stored with minimum waste.

C. Production of Sugar Cane

249 648 433 Sugar cane is the raw material for Formosa's sugar industry. Postwar increase in production is all the more remarkable since in the years before the war the Japanese did all they could to exploit the potentialities of sugar cane production to meet the sugar requirements of Japan proper.

Sugar cane is usually planted in the summer June to September. About a year and a half are required before the cane is ready for harvest. Under the International Sugar Agreement concluded in London in 1953, Formosa is permitted to export 600,000 metric tons of sugar annually. Government policy has been adapted to meet this quota and allow for domestic consumption. Land once used for sugar cane is now being used to produce other products.

D. Production of Wheat

243 433 Wheat produced on Formosa accounts for less than one per cent of the total value of the island's farm production. For this reason it has been generally believed that Formosa lacks the conditions suitable for

243 433 optimum wheat production. Postwar research has proved that wheat can be grown between rice crops in the regions centering on Taichung, Changhua, and Tainan, and the amount of land given to wheat production has been increasing gradually.

E. Production of Tea

245 433 About 90 per cent of the tea produced on Formosa is exported to American and European markets. The production of tea and its planted acreage has been more or less constant since 1880. Commercial growing of tea began about 1865, and there are three major groups -- Paochung, Oolong, and black -- which are most successfully grown on the island.

VII. FORESTRY

313 433 Forests cover about 64 per cent of the total area of Formosa because abundant rainfall is favorable to the growth of trees. The island's forests furnish all domestic lumber and prevent erosion in mountainous areas. Forestry products accounted for approximately three per cent of the total value of all goods produced in 1953. The total timber reserve, as of 1954, was estimated

313 at approximately 202,258,000 cubic meters.[14]
433 Broadleaved trees account for about 65 per cent of this reserve; the remainder is made up of coniferous trees. Only 4.3 per cent of the reserve is privately owned; about 90 per cent is owned by the government, which maintains complete control of the island's forestry. It is estimated that about 1,000,000 cubic meters of timber may be cut annually without impairing the total reserve. Production of timber in 1953 was estimated at 515,000 cubic meters; in 1954, at 546,000 cubic meters. Government policy has been to cut less than 50 per cent of available timber, and the government's reforestation program assures that an area equivalent to the timberland cut is replanted each year.[15]

VIII. FISHERIES

228 There are four main categories of
433 fisheries on Formosa -- deep sea, inshore,

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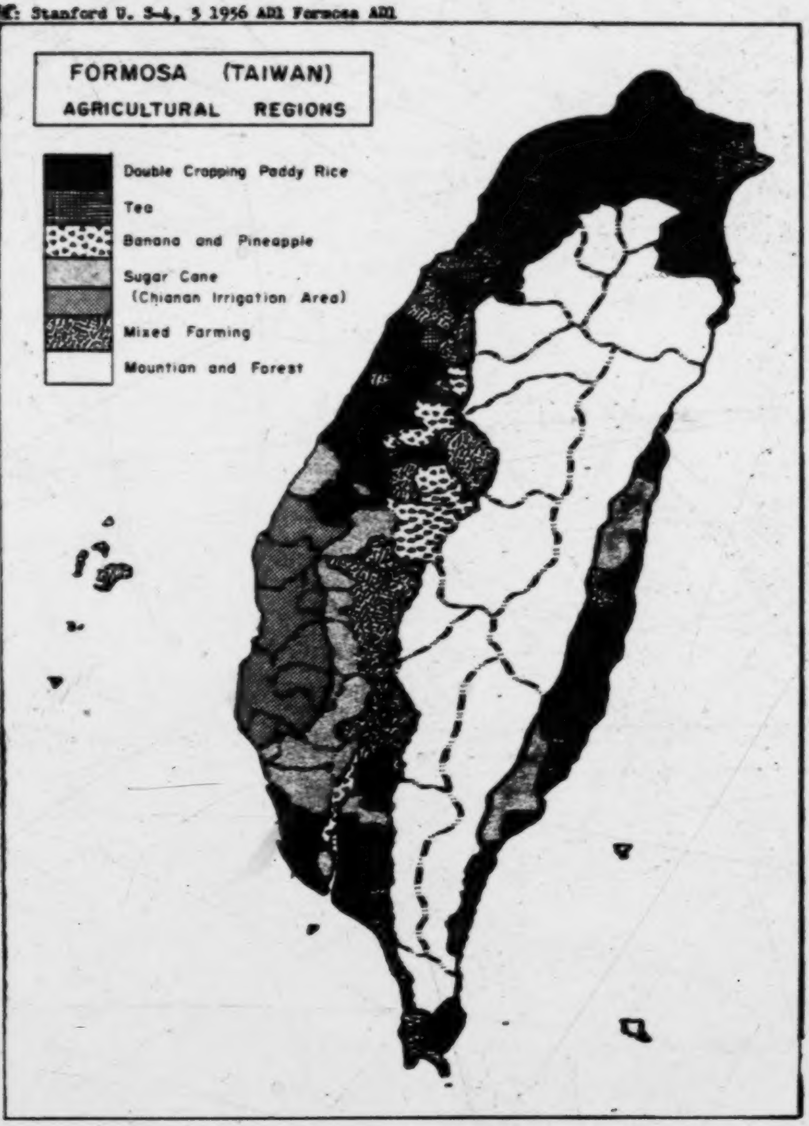
[14] Ibid., No. 3, March 1955, p. 104.
[15] Ibid., p. 106.


FORMOSA (TAIWAN)
AGRICULTURAL REGIONS
Double Cropping Paddy Rice
Tea
Banana and Pineapple
Sugar Cane
(Chianan Irrigation Area)
Mixed Farming
Mountian and Forest

[Facing p 564]

2[illegible] coastal, and fish culture. Coastal fishing is
453 most important, since it furnishes more than 50 per cent of the fish catch every year and serves as a source of income for over 140,000 fishermen -- approximately 61 per cent of the population who earn their living in the various fishing industries.[16]

Fishing has become an increasingly valuable part of the island's economy (see Table 9). More efficient methods have been introduced, there are a greater number of powered fishing vessels available today, and a large area is under culture. However, annual production still falls short of the minimum per capita consumption requirements, estimated to be approximately 42 grams per day. Only in the year 1954, when production was approximately 152,500 metric tons, was the minimum requirement reached. Further increases are necessary, for the optimum per capita consumption is estimated to be as high as 84 grams per day. Neither coastal fishing nor fish culture can be increased substantially. The Formosan government must find means to encourage deep-sea and inshore fishing.

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[16] China Annual 1954, Vol. 3, p. 86.

(Table 9 follows p. 556.)

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Table 9. Production of Fish*
(in 1,000 metric tons)

	Total	Ocean Fish Catch			
		Deep Sea Fisheries		Coastal fisheries	Fish culture
		Government	Private		
1936	93.0	26.0		52.0	15.0
1937	94.0	30.0		48.0	16.0
1938	90.0	34.0		39.0	17.0
1939	98.0	40.0		43.0	15.0
1940	119.0	57.0		52.0	10.0
1941	85.0	28.0		45.0	12.0
1942	68.0	21.0		33.0	14.0
1943	47.0	5.0		32.0	10.0
1944	23.0	1.0		16.0	6.0
1945	17.0	∅		12.0	5.0
1946	51.0	2.6	0.4	38.0	10.0
1947	62.0	3.0	-	44.0	15.0
1948	83.0	2.7	4.3	51.0	25.0
1949	80.0	2.9	2.1	52.0	23.0
1950	84.0	6.1	5.9	47.0	25.0
1951	104.0	10.4	5.6	63.0	25.0
1952	122.0	10.9	6.1	74.0	31.0
1953	130.6	14.6	9.6	67.9	38.6
1954	152.5	14.5	12.5	83.9	41.6

* FOA Mutual Security Mission to China, Taiwan Economic Data Book, Part II, Vol. 3, Taipei, 1955.

∅ Not available.

[table 9 follows p. 556]

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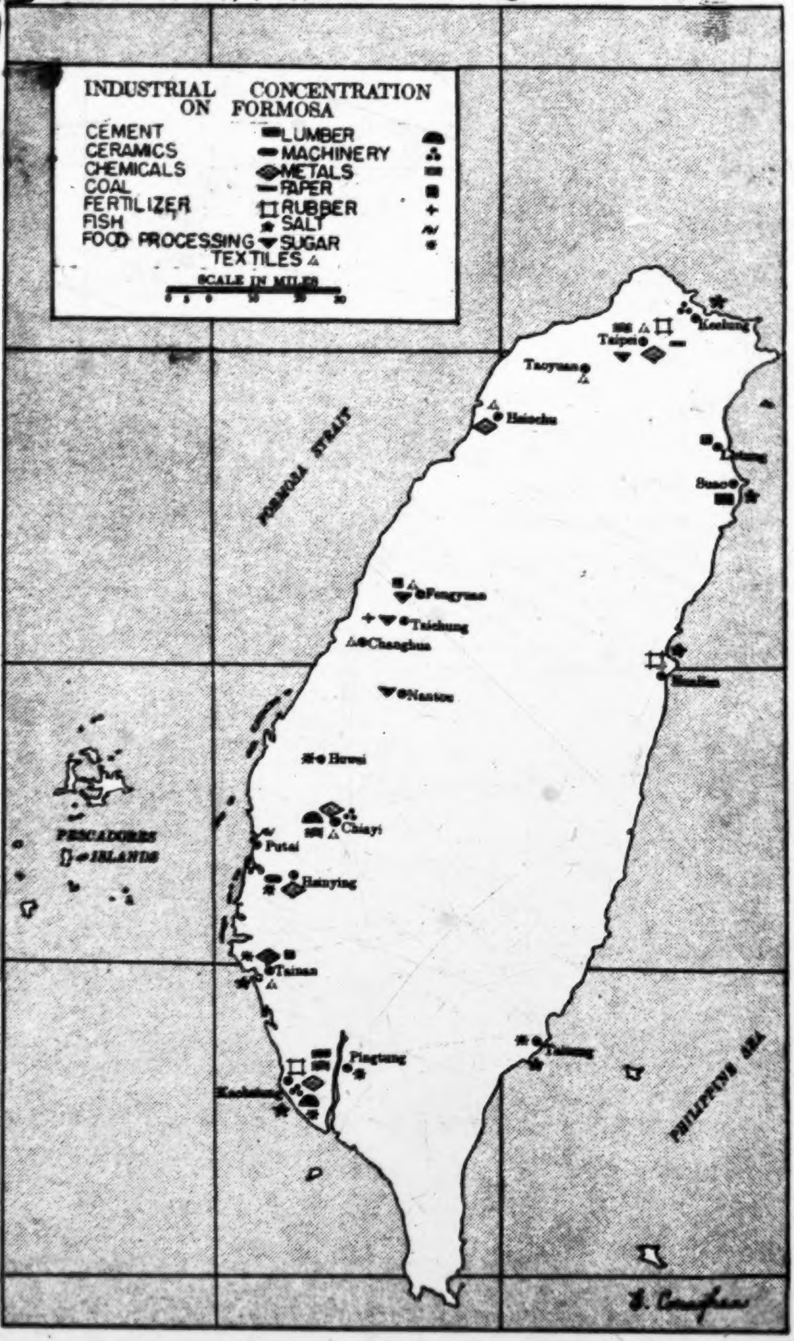
INDUSTRIAL CONCENTRATION ON FORMOSA
CEMENT
CERAMICS
CHEMICALS
COAL
FERTILIZER
FISH
FOOD PROCESSING
LUMBER
MACHINERY
METALS
PAPER
RUBBER
SALT
SUGAR
TEXTILES
SCALE IN MILES
FORMOSA STRAIT
PESCADORES ISLANDS
PHILIPPINE SEA
Keelung
Taipei
Taoyuan
Hsinchu
Lotung
Suao
Fengyuan
Taichung
Changhua
Nantou
Hualien
Huwei
Chiayi
Putai
Hsinying
Tainan
Pingtung
Kaohsiung
Taitung

Reduce AC to BC

[Facing p. 557]

Annex "A," Subparagraph 3b,
Economic Background

INDUSTRY

A GENERAL SURVEY

178 Formosa's industry during the Japanese occupation was geared to the needs of Japan. Prior to 1936 the chief feature was agricultural expansion accompanied by the improvement of transportation facilities. Formosa was to grow rice and sugar, to make up the 20 per cent deficiency in Japan . The aborigines were pushed further inland by force, and a great deal of new land was brought under cultivation. Japanese services and goods, ranging from fertilizers to patent medicines and textiles, were forced on Formosa. No secondary industries of consequence were permitted on the island. From 1936 to the end of World War II, the major emphasis was on industrialization, and Formosa was transformed into a base of operations for Japan's southward expansion. Many new chemical and metallurgical plants were established either by the government or by Japanese corporations with the assistance of the government. Power-generation [1] was expanded from 501 million

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[1] Economic Data Book, Vol. II, mimeographed copy by FOA Mutual Security Mission to China, Taipei, Jan. 1954, p. 146.

178 kilowatt-hours in 1936 to 1,195 million kilowatt-hours in 1943. Aluminum factories were built at Kaohsiung and Hualien, the combined production of which was 12,000 metric tons in 1942, one-eighth of the total production of the Japanese empire.[2] An oil refinery was constructed in Kaohsiung in 1942 for the use of the Japanese Navy. The largest single investor was the Government-General. "By 1939, 90 per cent of all the capital invested was held by the government and government-backed Japanese; the remaining 10 per cent, held by Formosans, was mostly invested in small shops."[3] Sugar accounted for 54.5 per cent of all exports[4] from Formosa in 1937. Taiwan Seito was the largest of the four sugar companies, and the Japanese imperial family was its principal shareholder.

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229 Most of the machinery of the new industrial plants were either made in Japan or had been used in Japan for a number of years. During the war, industrial production was at the breaking point. Machinery and equipment which had become obsolete were not replaced and

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[2] Ibid[illegible] p. 123.

[3] T[illegible]wan: A Geographical Appreciation, published by the Department of Mines and Technical Surveys, Canadian Government, Ottawa, Canda, 1952, p. 16.

[4] E.B. Schumpter, The Industrialization of Japan and Manchukuo 1930-40, New York, Macmillan Co., 1940, p. 295.

727 were rapidly worn out. After 1943, Allied
178 aerial attacks dealt them a further crippling blow.

At the time of Japan's surrender it was found that thirty-four of the forty-two sugar mills in Formosa had been reduced to ruins by American bombing. The oil refinery at Kaohsiung suffered 800 bomb hits. The generating capacity of the Western Power System at Sun-Moon Lake was reduced from 308,000 kilowatts to 32,000 kilowatts. The mills of the Taiwan Pulp and Paper Corporation were damaged -- 50 per ent of the buildings and 30 per cent of the machinery -- by Allied aerial bombings.[5]

471 On August 14, 1945, Japan surrendered to the Allies, and Formosa was restored to China. The Chinese government took over all the industrial enterprises previously owned by Japanese nationals. Some of these, including printing houses, match and food

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[5] Industrial Enterprises of National Resources Commission in Taiwan -- General Information, National Resources Commission, Taipei, 1951.

47/factories, and some sixty coal mines, were sold to private owners. The rest were grouped under the management of eighteen public corporations, operated either by the National Government or by the Provincial Government, or by the two jointly.[6]

Industries that were operated by the National Government were:

(1) Chinese Petroleum Corporation
(2) Taiwan Aluminum Works
(3) Taiwan Gold and Copper Mining Administration
(4) Chinese Salt Corporation
(5) Hsinchu Coal Mining Administration
(6) Taiwan Steel Works

The industries operated jointly by the National and Provincial governments were:

(7) Taiwan Power Company
(8) Taiwan Sugar Company
(9) Taiwan Fertilizer Company
(10) Taiwan Cement Company

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6. Han, Lih-wu, Taiwan Today, Taipei, Hwa Kuo Publishing Co., revised edition, 1952, pp. 106-07.

(11) Taiwan Pulp and Paper Corporation
(12) Taiwan Shipbuilding Company
(13) Taiwan Machinery Manufacturing Corporation
(14) Taiwan Alkali Company

Those operated by the Provincial Government were:

(15) Taiwan Industry and Mining Corporation
(16) Taiwan Camphor Bureau
(17) Taiwan Tobacco and Wine Monopoly
(18) Taiwan Agricultural and Forestry Development Corporation

These public trusts replaced the government monopolies and the government-backed corporations under Japanese control. The preponderance of public enterprise on Formosa often amazed visitors, but the economic structure was dictated by circumstance rather than by choice. The editor of Industry of Free China[7] gave the following explanation for the existence of the huge government corporations:

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7. Industry of Free China, a monthly published by the Industrial Development Commission, ESB, Vol. I, No. 4, Taipei, April, 1954.

45:Stanford U, S-4, 5 1956 AD1 Formosa
~~AD1~~ AD1

471 1. During the Japanese occupation, all modern industries on Formosa were owned by the Japanese, and, as enemy property, they passed under the control of the Chinese government.

2. Many public enterprises on the Mainlan were evacuated to Formosa with the withdrawal of the Nationalist Government to the island.

3. Allied bombings had caused the widespread destruction of industrial plants. Extensive repairs were necessary. Only the government with immense resources was able to undertake such extensive rehabilitation.

4. Formosans had been given only secondary positions in industries by the Japanese. They had neither the experience required to manage large-scale enterprises nor the capital needed to finance operation.

178 With the economic and technical assistance provided by the United States, systematic repairing and reconstruction of the damaged industries in Formosa were carried out by the concerted efforts of the Nationalist Government. By 1950 most of the plants have been put back into production. Since 1950 the industrial advance has been

178 rapid. From the state of disintegration of 1945 and 1946, some industries are now operating at levels approximating the peak production reached under the Japanese, and a few such as cement, petroleum refining, and chemical fertilizers, are exceeding it. "It would not be praising their achievement too highly to compare the result of their reconstruction work with the best in devastated Europe."[8]

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[8] H. Maclear Bate, Report from Formosa, London, Eyre and Spottiswoode, 1952, p. 113.

Table 1. Index of Industrial Production in Formosa*
1941 = 100%

Industries	1937	1941	1946	1950	1952	1954
Power	56	100	46	101	134	175
Transportation	61	100	79	138	168	223
Chemical	84	100	33	136	162	267
Fertilizer	85	100	19	185	537	582
Food Processing	106	100	20	77	82	109
Metal & Machinery	49	100	29	52	66	108
Mining	75	100	34	56	87	85
Textiles	67	100	21	286	684	1,270
Timber	58	100	24	70	96	115
All Industries	79	100	32	84	111	152
Population (Millions)	5.6	6.2	6.7	8.9	9.5	10.1
Per Capita Production in All Industries	88	100	30	63	75	93

* Economic Data Book, Part II, Vol. III, prepared by FOA Mission to China, March 1955. The peak year under the Japanese was 1941.

(Table 2 follows p. 564.)

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Table 2. Industrial Output of Formosa in 1945, 1952, 1953, 1954 as* Compared with the Record Production Under the Japanese

Commodities (with unit)	Peak Year Under Japanese	1945	1952	1953	1954
Sugar (1,000 MT)	1,374 (1939)	86 (1946)	520	883	701
Flour (MT)	13,000 (1934)	3,879 (1946)	16,476	69,163	136,944
Fertilizer:					
a) Calcium cyanide (MT)	12,647 (1941)	–	69,070	73,145	71,747
b) Calcium super phosphate (MT)	25,449 (1943)	400	62,064	69,145	78,049
Laundry soap (MT)	5,115 (1939)	–	17,164	16,128	17,106
Cement (1,000 MT)	303 (1944)	78	445	519	536
Paper (MT)	25,547 (1940)	2,552	22,150	26,912	33,792
Cotton yarn [x] (bales)	–	825	74,831	107,464	127,012
Cotton cloth (1,000 yards)	4,296 (1940)	1,111	89,293	152,435	180,098
Canned pineapple (1,000 cases)	1,641 (1938)	20	426	369	779
Gasoline [y] (Kl.)	6,776 (1939)	1,006	89,316	108,943	136,266
Electricity [z] (Kw.)	178 (1944)	80	232	271	317
Coal (1,000 MT)	2,854 (1944)	880	2,286	2,392	2,117
Sulphur (MT)	1,381 (1937)	35	5,081	3,478	5,967

* Figures from Economic Data Book, Vol. III, prepared by FOA Mission to China, Part II, March 1955.

# Fertilizers: (a) calcium cyanamide, manufactured as nitrolime; and (b) calcium superphosphate.

x One bale of cotton yarn weighs 400 pounds.

y One kiloliter is equivalent to 26.417 gallons.

z Actual peak load.

[table 2 follows p. 564]

45:Stanford U. S-4, 5 1956 AD1 Formosa
~~AD1~~ AD1

472 While the government was restoring and expanding the basic industries and services such as electric power, transportation, chemical fertilizer, and petroleum products, the growth of private industries has been no less remarkable. The number of factories increased from 7,474 in 1950 to 12,439 in 1953.

~~ADI~~ 45:Stanford U. S-4, 5 1956 AD1 Formosa AD/

Table 3. Number of Registered Factories in Formosa*

Industry	1950 Public	1950 Private	1950 Total	1953 Public	1953 Private	1953 Total
Food	88	3,971	4,059	79	5,405	5,484
Textiles	8	200	208	17	1,228	1,245
Chemicals	38	552	590	41	1,031	1,072
Ceramics	25	712	737	24	1,224	1,248
Metals	8	188	196	10	184	194
Machinery	21	707	728	28	1,026	1,054
Lumber	18	492	510	23	552	575
Printing	3	184	187	4	215	219
Electricity & Gas	34	-	34	34	2	36
Others	2	223	225	4	1,308	1,312
Total	245	7,229	7,474	264	12,175	12,439

* Provincial Department of Reconstruction.

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178 The increase from 1950 to 1953 was, for the most part, in private industries, manufacturing consumer articles, including textiles, soap, rubber goods, paints, matches, drugs, aluminum wares, bicycles, electric fans, and sewing machines. Among these, textiles, soap, and rubber goods have increased production most rapidly. Producing only 12 per cent of the textiles consumed locally in 1935, Formosa is now in a position now only to meet the expanding requirement of a growing population, but also to provide a substantial amount of cotton cloth for export. Except for automobile tires, nearly all the rubber goods needed on the island are manufactured locally. In 1939, the year of record soap production under the Japanese, 214,830 cases (5,115 metric tons) of laundry soap were produced. Today there are one government and ninety-three private producers, and the total production capacity of laundry soap is 125,000 cases (2,500 metric tons) per month.[9]

The rapid growth of private industries is attributed to the following factors:

1. Formosa has many basic raw materials, coal, salt, limestone, sulphur, ceramic clay,

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[9] Economic Data Book, Part II, Vol. III, preopared by FOA Mission to China, Taipei, March 1955, p. 99.

433 timber, and is also rich in oil and a favorable climate.

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2. It has abundant power and good means of communication.

3. A great deal of dismantled equipment has been imported from the Mainland.

4. As a result of the massexodus from the Mainland, Formosa has many trained personnel

5. Labor supply with experience of mechanical operations is plentiful.

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471 It should be noted, however, that 90 per cent of the private factories are of very small size, operated by a single owner. More than half have less than 5 hired workers, one-sixth from 6 to 10, and a fifth from 11 to 30 workers. Ninety-five per cent have capital of less than NT $50,000 (US $3,000). Twenty-six per cent depend entirely on manual labor, 67 per cent use a motor under 15 horsepower, and only 7 per cent use motors of 15 horsepower or more.[10] On the other hand, the government

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[10] Arthur F. Raper and others, Urban and Industrial Taiwan, Crowded and Resourceful, published by FOA/MSM to China and National Taiwan University, Taipei, 1954, pp. 122-23.

472 factories, though much fewer in number
471 (2.1% of the total), are far larger than the
private enterprises. The contrast in size
of government-owned and private factories
is indicated by the value of their products, as
shown in the table below.

Table 4. Approximate Percentage Distribution of Value of Major Industrial Products from Government and from Private Factories, Enterprises, and Mines on Formosa, 1953*

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Type of Production	Government Enterprises	Private Enterprises	Total Value of Industrial Production
Percentage distribution of value of all industrial production	65%	35%	100%
Sugar and by-products	98	2	18
Transportation	86	14	13
Textiles	37	63	10
Mining	15	85	7
Alcoholic beverages and tobacco	100	-	6
Metal Products	16	84	6
Edible oil	3	97	6
Timber	52	48	6
Petroleum products	100	-	5

45:Stanford U, S-4, 5 1956 ~~AD4~~ AD1 Formosa

AD1

(continued)

Rubber goods	6	94	4
Electric power	100	-	4
Fertilizer	100	-	4
Machinery	24	76	3
Cement	100	[illegible]	2
Paper	61	39	2
Chemicals	82	18	1
Canned pineapples	62	38	1
Salt production	100	-	#
All others	53	47	2

* Raper and others, ibid., p. 118.

# Less than 1 per cent.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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AD1

471 Despite the fact that private enterprises surpass in number public enterprises in the ratio of 48:1, two-thirds of the total industrial output of Formosa are controlled by the government. The dominant position of government enterprises has elicited much criticism. Private industries are in no position to compete with the government corporations, especially when the latter are accorded many special privileges, such as liberal bank credit, special rates of foreign exchange, and raw material at low cost. Besides, possessing monopolistic power, bureaucracy overtakes public enterprises. Nepotism is rampant. It is found that "in many government-owned enterprises there is an excess of management and worker personnel."[11] K. Y. Yin, former Minister of Economic Affairs, expressed the view that industries can attain a higher level of efficiency only when operated by private individuals with profit incentives.[12] Early in 1953 the Chinese government in connection with the Land Reform program decided to offer four public enterprises for sale. On November 12, 1953, Premier Chen Cheng in his administrative report to the Third Plenary Session of

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[11] Raper and others, ibid., p. 4.

[12] K. Y. Yin (former Minister of Economic Affairs) My Views on Taiwan's Economy, Taipei, China Culture Publishing Foundation, 1953, p. 9.

471 the Kuomintang's Seventh Central Committee, said: "We are of the opinion that whatever enterprises are capable of being run by the people should be finally transferred to private ownership. This is not only a basic principle in the development of national economy but also one of the best means to uproot bureaucratic capital."[13] In pursuance of this policy, the Taiwan Pulp and Paper Corporation and the Taiwan Cement Corporation have been transferred to private ownership. The other public properties under consideration for sale are 15 brick-kiln yards, 12 coal mines, 11 ice storage plants, 4 metal factories, 4 jute-washing factories, 2 tanneries, and about 30 miscellaneous plants.[14] Even when

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[13] Quoted in Industry of Free China, April 1954, p. 1.

[14] The Taiwan Pulp and Paper Corporation and the Taiwan Cement Corporation were transferred to landowners whose land had been purchased by the government for redistribution. The other public properties belong to the Agricultural and Forestry Development Corporation and the Industrial and Mining Corp. It is provided in the Rules Governing the Transfer of Public Enterprises to Private Ownership under the Land-to-the-Tiller Act that any government stocks that should still remain after allocation in payments to landlords will be sold by tenders until such stocks are sold.

471 the transfer transactions are completed, the
government will still control 60 per cent
of the total value of industrial output.

656 Another adverse factor affecting the
development of private enterprise is the
multiplicity of government controls. The
prices of coal, cement, fertilizer, and many
other goods are regulated by the government.
"The government also operates a supply bureau,
through which small private manufacturers
secure much of their imported raw materials.
Banks, foreign exchange, and import and
export licenses are controlled by the government;
the sale of exports is permitted by the
government only at prices above fixed floor
prices."[15] In the field of taxation, inequities
are widely reported. The discrimination in
favor of public enterprises and the vexatious
government controls seriously hamper the
178 growth of private industry. Formosa is
472 emerging from a colonial economy into a self-sufficient
economic unit. The need for the
production of goods and services is tremendous.
The creation of new employment opportunities
is also imperative on account of the enormous
increase in population in recent years. In
future industrial expansion, private enterprise

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[15] Raper, *op. cit.*, p. 10.

472 must contribute a major share. The Chinese
178 government has promulgated regulations to attract capital investment by overseas Chinese and foreign nationals, but the result will not be encouraging until a healthy environment in favor of private investment is first created. To foster the growth of private industries the following conditions appear to be essential: (a) a relatively stable price level and reasonably cheap credit; (b)tax obligations must be clearly defined, and no price controls imposed abruptly and arbitrarily; (c) economic control should be reduced to a minimum; (d) and the virtual government monopoly in foreign trade should be modified to allow private initiative to find an outlet for surplus products. When a more favorable climate is created to insure the success of private capital, private industry will overtake public enterprises and assume an important role in the industrial revolution that is under way in Formosa.

II. MINERAL RESOURCES[16]

135 Although many of the mountainous areas in
Formosa have not been fully explored, the
island does not appear to be rich in mineral re-
sources nor are those that are known available
328 in quantity. Formosa does produce coal, some
316 gold, copper, petroleum, salt pyrite, and
317 sulphur. Some coal and salt is exported. All
of the other minerals are for domestic con-
sumption. Smaller quantities of mercury,
manganese, asbestos, mica, and gypsum are
also produced. Bauxite, necessary for the
aluminum industry, and gypsum, used in ce-
ment production, are imported, since they are
not found in sufficient quantities on the island.
316 The production of the various mining industries
133 in 1953 and 1954 is given below.

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[16] Statistical information in this section, unless otherwise specified, is in large part from Taiwan Economic Data Book, Vol. 3, Taipei, 1955, by Foreign Operations Administration, MIssion to China.

438 316 328 PRODUCTION OF MINING INDUSTRIES
1953-54 */

	1953	1954
Coal (1,000 metric tons)	2,393	2,100
Crude petroleum (kiloliters)	2,830	5,571
Natural gas (1,000 cubic meters)	30,925	28,962
Sulphur (1,000 metric tons)	3	6
Pyrite (1,000 metric tons)	23	25
Gold (kilograms)	772	670
Silver (kilograms)	651	624
Copper (1,000 metric tons)	13	10
Salt (1,000 metric tons)	162	369
Gypsum (1,000 metric tons)	6	3
Mica (1,000 metric tons)	24	20

*/ China Annual 1954, Vol. 3, p. 48.

135 Estimated reserves of selected minerals are given in the following table. It would appear, from this brief survey, that Formosa possesses limited mineral resources and few of the mineral requirements of modern industry.

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ESTIMATED MINERAL RESERVES */

(In Metric Tons)

	Quantity	Area located	Content
Coal	670,000,000	Keelung, Taipei, Hsinchu, and Chunan	-
Gold ore	5,000,000	Keelung	Au at 3.1 grams/MT
Copper ore	5,900,000	Suao and Hualien	Au at 1.3 gr/MT Cu 0.72 %
Sulphur	700,000	Taipei	S 30-45 %
Pyrite	5,380,000	Keelung and Hualien	-
Manganese	300,000	Suao	Mn 24-35 %
Iron sands	200,000	Tanshin	-
Asbestos	90,000	Hualien	-
Dolomite	2,000,000	Hualien	18-24 %
Crude oil	89,000 (cu.meters)	Chhuangkeng, Chinshui, and Miaoli.	-

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*/ FOA Mission to China, Taiwan Economic Data Book, Vol. 3, 1955; Bank of Taiwan, T'ai-wan chih Ti-hsia Tsu-yüan [Underground Resources of Taiwan], Taipei, 1950, p. 171.

A. Coal

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316 The coal mines of Formosa form a belt, roughly northeast-southwest, in the northwestern section of the island. Although relatively abundant, the coal is generally low-grade bitumen; only a limited quantity is suitable for cooking purposes. Annual production is about 2,000,000 metric tons; the estimated total reserve is 670,000,000 metric tons, most of which is located near Taipei Basin. More than 80 per cent of the coal produced is for domestic consumption. The remainder is exported.

B. Petroleum

315 Crude oil production is limited, and supplying only about one per cent of the island's requirement. There are five refineries on the island; Kaohsiung Refinery is the largest. The other four refineries are small in scale, located near oil fields in Miaoli, Chuhuangkeng, Chinshui, and Chutung. Kaohsiung Refinery, equipped with three crude distillation units, one thermal cracking and reforming unit, and one vacuum distillation unit, as well as auxiliary plants, is capable of processing 25,000 barrels of crude oil a day. The principal products are motor gasoline, jet fuel, kerosene, diesel fuel, heavy fuel oil, and asphalt. Geology experts generally agree that Formosa has ample oil reserves for domestic needs. Further exploration and the drilling of additional wells will contribute to increased production.

C. Salt

317 433 Salt, available in quantity, is not produced from rock salt but by the evaporation of sea water on the western seaboard. The fields are centered around the towns of Anping, Putai, and Peimen. About 5,000 hectares of land were used as salt fields in 1954; production amounted to 369,000 metric tons. Domestic markets require approximately 75,000 metric tons a year, thus leaving a sizable amount of salt for export.

III. ELECTRICITY

376 Formosa has a number of short, swift-flowing rivers which are estimated to possess a total gross hydroelectric potential of some 3,300,000 kilowatts. According to a report made by the Taiwan Power Company, approximately 12 per cent (378,000 kilowatts) of the gross poten-
377 tial had been developed as of 1955. Formosa's
375 estimated thermoelectric generating capacity is 142,550 kilowatts, giving the island, as of 1955, approximately a total generating capacity of 520,550 kilowatts. The peak load in that year is estimated to have been 360,000 kilowatts.

377 Only the Taiwan Power Company produces electric power for general distribution. Some government and private enterprises generate power for their own consumption; notable among these enterprises are the Taiwan Sugar Corporation, the Taiwan Pulp and Paper Corporation, the Taiwan Cement Corporation, and the Taiwan

377 Aluminum Corpoation, having a capacity of 71,300 kilowatts. The Taiwan Power Company has 35 generating stations -- 24 hydroelectric stations, with a capacity of 330,400 kilowatts; 4 thermoelectric stations, with a capacity of 59,500 kilowatts; and 6 small diesel generators, with a capacity of 2,050 kilowatts. All but two of the hydroelectric plants are without storage reservoirs and are dependent upon river-flow. The two hydroelectric plants at Sun-Moon Lake (Jitsugetsutan) have a storage reservoir, but production is sometimes curtailed, as when the reservoir was nearly emptied during a drought in the winter of 1950. The Jitsugetsutan system also includes a plant at Wan-ta, and accounts for over one-third of the total generating capacity on Formosa.

376 In order to meet the demands for additional
377 light and power, power-generating plants have been expanded to serve industry and private needs. Power generation and power consumption are shown in the tables below.

POWER GENERATION */
(in million kilowatt-hours)

Year	Hydro	Thermal	Total
1950	978	66	1,044
1951	1,169	123	1,292
1952	1,203	179	1,382
1953	1,467	97	1,564
1954	1,565	240	1,805

POWER CONSUMPTION */
(in million kilowatt-hours)

Year	Industrial	Non-industrial	Total
1950	459	258	717
1951	698	258	956
1952	817	260	1,077
1953	923	301	1,224
1954	1,077	326	1,403

*/ Taiwan Economic Data Book, Vol. 3, 1955.

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375 Thermal power generation serves in an auxiliary
377 capacity; hydroelectric plants furnish the bulk of power required. Industrial consumption has increased rapidly in recent years; non-industrial use has remained relatively stable. This may accounted for, in part, by the rapid expansion of the textile and chemical industries and, to a lesser extent, the increased production of metal, machinery, and food processing industries. Hydroelectric power is also available for irrigation. In 1954, the textile and chemical industries accounted for over 34 per cent of the total consumption of power on Formosa; in 1950, these industries required only a little more than 22 per cent. The gradual increase in the non-industrial consumption of power has been the result of the electrication of some rural areas.

In 1942, the Japanese then in control of the island made plans to link the two existing power generating systems. Surveys were completed, but the demands of war made necessary the postponement of the plan to channel power from the eastern system to the western system, where power was in greater demand. The two systems were linked in 1951 with the completion of a trans-island power transmission line.

In 1952, the Taiwan Power Company established a five-year plan for the expansion of power plants. It was contemplated that by 1957 an additional 302,850 kilowatts (a total of 633,850 kilowatts) would be available to meet

375 the increased needs of economy. Some seven
377 hydro stations and four thermal stations were to
be built or expanded by 1957. By the end of 1954,
four stations had been expanded, providing an
additional 58,750 kilowatts. Listed below are
those stations known to be under construction,
together with their potential capacity.

ELECTRIC POWER PROJECTS */

	Potential Capacity	Scheduled for Completion
Pei-pu Steam Station	40,000 Kw.	1955
T'ung-men Hydro Station	21,000	1955
Kaohsiung Steam Station	40,000	1955
T'ien-leng Hydro, 2nd Extension	26,500	1956
Kaohsiung Steam, 2nd Extension	40,000	1956
Wu-she Hydro Station	20,000	1957
Nan-shih Hydro Station	20,000	1957
Chu-k'eng Hydro Station	100,000	1957
Lung-chien Hydro Station	40,000	1957
Shih-men Hydro Station	120,000	1960
Total	467,500	

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*/ Mutual Security Mission to China, Economic Development on Formosa: 1951-52., Taipei, 1953, p. 25; China News Press, China Annual 1953, Taipei, 1954, Vol. 2, pp. 68-69. China Annual 1954, Vol. 3, p. 54.

379 Formosa has not yet exploited the hydroelectric potential offered by its heavy annual rainfall and the steepness of its river gradients, and no sustained effort has been made to compensate for the varying water reserves available at different times of year, headwater erosion, the narrow valleys in which the rivers flow, and the silt and gravel which combined to reduce the efficiency of the streams as a source of power. For these reasons, the economic development of potential power sites is as important to Formosa as the implementation of flood control and irrigation programs.

Currently, the Taiwan Power Company has established a committee to investigate and plan the generation of power by atomic energy on Formosa.

IV. FOOD PROCESSING INDUSTRIES

A. The Production of Sugar

249 The history of the sugar industry in Formosa
433 goes back to 1349, when islanders "boiled sea
439 water to make salt and fermented molasses to
produce liquor."[17] In 1650, when the Dutch were occupying Formosa, some 6,000 metric tons of sugar cane were produced each year. Of this amount, two-thirds were exported to Japan and marketed in lands as far away as Persia. Under the rule of Cheng Ch'eng-kung (Koxinga), who

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[17] China News Press, T'ai-wan Ching-chi Nien-pao, 1953 [Annual of Taiwan's Economy, 1953], Taipei, 1953, p. 45.

249 defeated the Dutch, annual production rose to
433 18,000 metric tons, a large part of which was ex-
439 ported to the Philippines and to Japan. In 1870,
total production amounted to 73,000 metric tons;
63,7000 metric tons were exported. During the
Japanese occupation of Formosa, the island's
sugar industry was developed to supply the require-
257 ments of Japan proper. Four Japanese companies
433 controlled Formosa' sugar industry. During the
471 1930's, 42 mills able to process a total of 65,000
metric tons of sugar cane were in operation. The
sugar syndicate owned 117 hectares of land, a rail-
way extending 2,800 kilometers, had a staff of
5,000, employed 19,000 workers, and generated
its own power. After the war, all of the mills came
under the control of the government-owned Taiwan
Sugar Corporation. In 1947, six mills were incor-
porated, bringing the total number of mills in
operation to 36. At present, only 26 mills are in
operation; for reasons of economy, ten mills were
shut in the period 1951-52, and production goals for
1954-55 were lowered.

472 In addition to the Taiwan Sugar Corporation,
257 which is the sole producer of refined sugar, some
52 private companies belonging to the Taiwan Brown
Sugar Association produce brown sugar for domestic
use and foreign export.

257 The milling capacity of the 26 mills controlled
433 by the Taiwan Sugar Corporation is 49,350 metric
tons of sugar cane per day; sugar recovery is about
12 per cent. These mills operate an average of 150

433 days a year. The Taiwan Brown Sugar Associa-
257 tion's member mills produce only 50,000 metric tons a year, representing approximately 10 per cent to 14.5 per cent of the sugar cane processed.

Since Formosa is only allowed to export 600,000 metric tons of sugar each year, according to the terms of the International Sugar Agreement, recent efforts have been directed toward modernization of plant facilities. The level of production has been reduced, and today Formosa processes only enough sugar to meet the demands of domestic consumption and the export quota.[18] Statistics on the production of sugar and sugar by-products are given in the table below:

PRODUCTION OF SUGAR AND SUGAR BY-PRODUCTS */

(in 1,000 metric tons)

	Sugar	Brown Sugar	Molasses	Yeast (1,000 kgs.)
1937	987	20	189	48
1938	967	24	206	119
1939	1,374	45	324	152
1952	520	11	143	61
1953	883	19	212	279
1954	701	13	185	638

*/ Taiwan Economic Data Book, Vol. 3, Part II, 1955.

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[18] Local consumption requirements for 1955 may be estimated at 108,800 metric tons, according to the consumption pattern established during 1932-41. During this period per capita consumption of sugar averaged 10.46 kilograms a year.

B. The Production of Canned Pineapple

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433 The Japanese encouraged the growth and canning of pineapples for export during their rule of Formosa. In 1938, Formosa was the third largest producer of canned pineapple, surpassed only by Hawaii and British Malaya. Since World War II, shortage of tinplate have caused a decrease in Formosa's pineapple production. The crops have been small, Formosa has lot many of its foreign markets, and tinplate for canning is at a premium. Efforts have been made to solve these problems, and production since 1951 has been on the increase.

PRODUCTION OF CANNED PINEAPPLE */
(in 1,000 case lots)

Year	Production
1938	1,674
1939	1,390
1950	226
1951	361
1952	427
1953	370
1954	780

*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

C. The Production of Flour

256
433 It has been estimated that, as of 1953, Formosa required 108,000 metric tons of flour in order to meet civilian and military requirements.[19] Demand for flour has greatly increased as the result of the influx of refugees from the China Mainland, most of whom choose flour in preference to rice as the main staple of their diet. At present the island can produce only about 17,000 metric tons of wheat. Of this amount, and apparently far short of the island's requirements, only about 10,000 metric tons is available to be milled as flour; the remainder is utilized in brewing, for seed, and so forth. Natural conditions are believed to limit Formosa's optimum wheat production to 30,000 metric tons a year, and in consequence the island has found it necessary to import either flour or wheat. It was believed that the importation of wheat for domestic milling was most economical, in view of foreign exchange. The Foreign Operations Administration has been of aid in the importation of wheat and its distribution to local mills. As a result, the number of flour mills in Taiwan has increased in recent years, to the point where the milling capacity exceeds the requirements of the island.

471
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433 The provincial government owns two flour mills, and there are 33 relatively large private

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[19] James E. Auburn, "Taiwan Wheat and Wheat Flour Requirements," Chinese-American Economic Co-operation, Taipei, Mutual Security Mission to China, Vol. 1, No. 12, pp. 25-30.

[47] mills and 80 smaller mills scattered over the
296 island. Their combined productive capacity is
433 reported to be approximately 1,227 metric tons a day. If the mills were in operation only 250 days a year, their total capacity would be some 306,750 metric tons a year, far exceeding the estimated annual consumption requirement of 108,000 metric tons. The annual consumption requirement may have increased as the population increased in the past two years. The production goal for 1955 was set at 160,000 metric tons of flour, to be processed from 208,000 metric tons of imported wheat in addition to 8,000 metric tons of domestic wheat.

It should be noted that Formosa's production of flour is vitally dependent upon the importation of wheat. Delay or discontinuation of import would immediately affect local markets.

D. The Production of Edible Oil

388 Peanut oil and soybean oil are the most im-
433 portant types of edible oil produced in Formosa. The oils are used in domestic cooking. What remains after the oil has been extracted is used to feed animals or as fertilizer. Although enough peanuts are produced to meet domestic requirements, about one-third of the soybeans needed are imported. Approximately 500 producers of edible oil were reported in 1954. Most use cottage-type pressing mills, operated by human and animal labor. There are only 24 modern oil-pressing mills on the island. The production of peanut oil, peanut cake, soybean oil, and soybean cake is

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shown in the following table:

PRODUCTION OF EDIBLE OIL */
(in metric tons)

	Peanut oil	Peanut cake	Soybean oil	Soybean cake
1938	3,007	4,511	2,043	19,508
1939	2,525	3,788	2,410	19,520
1952	5,112	7,846	4,980	43,835
1953	5,900	8,850	9,339	68,506
1954	5,360	8,040	7,101	51,964

*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

V. CHEMICAL INDUSTRIES

A. Fertilizers

389 The importance of fertilizer for Formosa 433 lies in the fact that so little of the island is suitable for agriculture that what arable land there is must be constantly enriched by chemical and natural means. The fertilizer industry is expanding, and in the next decades will offer employment to many and decrease the amount of fertilizer it is necessary to import to Formosa.

Experts attached to the Joint Commission on Rural Reconstruction have estimated that, according to Formosa's present soil and climatic conditions, the island has need of a minimum of 580,000 metric tons of chemical fertilizers each year. In order to secure optimum growth of crops, 1,000,000 metric tons of chemical fertilizers are needed annually. However, as of early 1955, the productive capacity of domestic plants was approximately 185,700 metric tons per year.[20] In order to expand production of fertilizers, the construction of four additional plants has begun, and when they are completed they will increase total capacity to over 383,000 metric tons per year. Further expansion is feasible, provided that sufficient investment capital is made available. Most of the

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[20] Industrial Development Commission, Fertilizer Taiwan, Taipei, 1955, pp. 4-6.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
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387 raw materials necessary for the processing of
433 fertilizer are available on Formosa. The island has a relative abundance of limestone, coke, coal, pyrite, and serpentine; phosphate must be imported. However, the present expansion program will only provide two-thirds of the minimum fertilizer
387 requirement of the island. The following table
433 compares the production and importation of chemi-
437 cal fertilizers.

PRODUCTION AND IMPORT OF CHEMICAL FERTILIZERS */

	Production	Importation
1937	31	413
1938	27	444
1939	34	356
1951	112	235
1952	150	403
1953	166	253
1954	168	359

*/ Industry of Free China, Vol. 2, November 1954, pp. 90-91, and Vol. 3, May 1955, pp. 56,70.

B. Alkali Products

385
433 The alkali industry, in support of various other chemical industries, has been expanding steadily since World War II. Caustic soda and soda ash are used in pulp-making, aluminum-making, soap-making, and glass-manufacturing. Chlorine is used for the production of bleaching powder, insecticides, and so on. Production of some alkali products are given in the table below.

ALKALI PRODUCTION *

	Caustic Soda	Soda Ash	Liquid Chlorine	Bleaching Powder
1952	8,526	609	1,286	1,526
1953	10,181	915	1,823	1,330
1954	14,487	1,163	2,667	1,787

*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

C. Cement

339
433 Formosa's sole domestic source of cement, the Taiwain Cement Corporation, was established in 1946 when the government consolidated and reorganized three cement works and two cement-products plants formerly owned by Japanese concerns. In 1954, the management of the corporation was transferred to private ownership. The total productive capacity of the three plants -- in Kaohsiung, Suao, and Chutung-- was estimated at 670,000 metric tons a year; actual production

339 in 1954 was approximately 536,400 metric tons.
433 With the exception of gypsum, which must be imported, all the raw materials required for the manufacture of cement can be had locally. (According to production estimates for 1955, approximately 12,900 metric tons of gypsum are required in order to produce 500,000 metric tons of cement.)

D. Paper

289 Waste timber, from which pulp is made
433 for the manufacture of paper, is easily available in Formosa, and the paper manufacturing industry was extensively developed under Japanese rule. As of 1954, there were 40 paper mills in Formosa; the largest is the Taiwan Pulp and Paper Corporation. The corporation produced 12,900 metric tons of paper in 1954; all other mills combined produced a total of 14,620 metric tons.

E. Other Chemical Products

391 The yearly production of other chemical
433 industries on Formosa are listed in the following table:

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45:Stanford U. S-4, 5 1956 A D 1 Formosa
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OTHER CHEMICAL PRODUCTS */

	Unit	1953	1954
Alcohol			
DDT (100 per cent)	(kiloliter)	25,262	14,708
Camphor	(kilogram)	117,572	446,026
Soap	(kilogram)	263,906	181,043
Paint	(metric ton)	17,106	18,076
Printing Ink	(metric ton)	1,992	2,530
Active Carbon	(kilogram)	150,694	151,715
Matches	(1,200 boxes)	222,577	215,945
Toothpaste (tube)	(gross)	22,767	31,574

*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
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VI. TEXTILE INDUSTRY

Among the major industries in Formosa, the textile industry has shown the greatest expansion since World War II. (The production of fertilizer and the production of light and power have expanded only slightly less rapidly.) The textile industry was one of those major industries to which the government gave special encouragement after the war.

During the Japanese occupation of the island, approximately 10-20 per cent of the island's textile requirements were supplied by domestic mills during the period 1920-42. However, the major portion of the production was gunny sacks. Consumers' textiles were imported from Japan.

In 1945, when the island was restored to China, there were only 14,652 serviceable spindles and 1,693 power looms, of which only 8,268 spindles and 428 looms were in operation. As of 1954, there were 181,844 spindles and 11,288 power looms installed in 14 spinning mills and 269 weaving mills. In addition, there were approximately 200 hand-operated looms owned by some 100 small, privately owned mills. There were also 7 worsted mills, with 10,304 woolen and worsted yarn spindles and 208 looms. Production capacity as well as actual production far exceeded consumption requirements. In 1954; worsted mills cut production by 50 per cent, and as of September 1954, of the total of 252 privately operated weaving mills, 9 were closed, 77

288 433 suspended operations, and the remaining 166 mills reduced their work-day to eight hours.

248 433 The textile industry in Formosa was established on the assumption that a sufficient amount of raw cotton could be imported to furnish the material for the production of cotton yarn and cotton cloth. Now efforts are being made to satisfy this demand through domestic production of cotton, and the initial experiment -- transplanting Texas cotton to Formosa -- has been pronounced a success. It is doubtful, however, that in the near future Formosa can supply her total raw cotton requirements. In 1954, raw materials imported for the textile industry cost the island approximately US$20,000,000, and it is believed that this import rate will continue if Formosa's enormous textile industry continues operation at its present level.[21] The following table gives the textile production of Formosa since 1951.

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[21] T'ai-wan Ching-chi Yüeh-k'an [Taiwan Economic Monthly], Vol. 12, No. 1, July 1954, p. 71.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
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TEXTILE PRODUCTION */

	Cotton Yarn (Bale)	Cotton Cloth (1,000 yards)	Woolen cloth (1,000 yards)	Gunny sacks (per 1,000)
1951	39,567	61,836	442	5,240
1952	74,831	89,293	556	6,593
1953	107,464	152,435	1,228	8,407
1954	127,012	180,098	1,491	9,087

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*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

VII. METALLURGY AND METALWORKING

A. Aluminum

325
433 The Japanese, in the second phase of their economic development of Formosa, constructed aluminum plants at Kaohsiung and Hualien in order to take advantage of the abundant power available in the island. The Kaohsiung plant then had an annual capacity of 20,000 metric tons of aluminum ingot. (The Bayer process was utilized for ore separation.) During World War II, the plants were badly damaged. Following the war, the Kaohsiung plant was rebuilt, and what remained of the Hualien plant was sold to a fertilizer manufacturing company.

Formosa's only producer of aluminum ingot, the Taiwan Aluminum Corporation, has a productive capacity of approximately 8,000 metric tons of ingot and 4,000 tons of sheet aluminum at the Kaohsiung plant. Aluminum goods, such as home appliances, kitchen utensils, and quartermaster supplies for the military, are produced by 77 small privately owned companies and one government-owned company.

Of the raw materials needed for the production of aluminum, bauxite is imported from Bintam Island, Malaya, and petroleum coke is imported from the United States.

B. Steel and Iron

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433 The island of Formosa produces little iron ore. Production of pig iron, derived from

327 433 imported iron ore, amounted to 8,6000 metric tons in 1954; reclaimed pig iron, derived from scrap iron, amounted to 8,672 metric tons in the same year. The island has the facilities to produce 13,000 metric tons of pig iron and 15,290 metric tons of reclaimed pig iron annually. Small iron and steel plants (foundries, blast furnaces, rolling mills, electric furnaces) are located in Kaohsiung, Taipei, Patu, Tainan, Kangshan, Sungshan, Hualien, and Keelung.

325 327 433 Production of basic metals is given below:

PRODUCTION OF BASIC METALS */

(in metric tons)

	Aluminum ingot	Pig iron	Reclaimed pig iron
1948	2,509	9,221	3,284
1949	1,317	1,559	4,275
1950	1,764	78	5,600
1951	2,984	733	5,385
1952	3,856	620	6,415
1953	4,915	3,927	6,929
1954	7,131	8,591	8,772

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*/ Taiwan Economic Data Book, Part II, Vol. 3, 1955.

C. Machinery Manufacturing

402 Formosa has a large number of machine shops, both large and small, capable of repairing, seeing to the maintenance of, and replacing small parts of various types of industrial equipment. The following items can be produced on the island: sugar refining equipment, simple chemical machinery, push-cars for railways, fishing boats, diesel enginees under 200 horsepower, low pressure boilers, textile machine parts, bicycle parts, small motors, transformers, light bulbs, electric fans, dry cell batteries, and so on.

D. Shipbuilding and Ship Repairing

396 Formosa has four government-owned and 32 privately owned shipyards, among which two of the government-owned concerns -- the Taiwan Shipbuilding Corporation and the Taiwan Machinery Manufacturing Corporation, are by far the largest. Their combined production accounts for nearly 90 per cent of the production of the island's shipyards. In most instances, these shipyards build and repair small, diesel-powered wooden craft. For example, in 1954 the Taiwan Shipbuilding Corporation produced one 30-ton landing craft, two 100-ton bull trawlers, and one 400-ton oil barge, and another two 100-ton bull trawlers were nearing completion.

Annex "A," Subparagraph 3c,
Economic Background

TAXATION AND BUDGET

651 The system of taxation in Formosa has undergone considerable reform since the restoration of Chinese rule. The number of categories taxed under the Japanese has been reduced from 30 to 15 and the system of tax collection has been simplified.[1] In June 1951, taxes collected in the province were classified as national, provincial, or local (*hsien* or municipal). The national, provincial, and local governments have independent budgets.

National taxes include customs duties, taxes on salt and other commodities, taxes on income and inheritance, a stamp tax, and a defense tax.

Customs duties and the salt tax are collected directly by the central government. Customs duties consist principally of import duties and tonnage dues; the former is levied on dutiable imported commodities, the latter on ships which call at Formosan ports. The provincial government also levies a harbor reconstruction tax, a 2 per cent *ad valorem*

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[1] Lih wu Han, *Taiwan Today*, Taipei, Aug. 1952, p. 67.

651 charge upon all non-exempt import cargo. The proceeds of this tax are forwarded to the provincial treasury. Articles imported for military use, for relief, or for educational or research purposes are exempted from import duty. And customs duties are not levied on the personal effects and supplies imported for use by diplomatic officials and personnel of the administrative agencies of American aid and military missions to Formosa.

The collection of customs duty is the single largest source of income for the central government. In 1954, customs duties amounted to NT $611,022,015[2] There are two customs districts in Formosa - Taipei and Tainan. Sungshan airport is under the administration of the Taipei customs district.

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1139 Because of the government control on foreign trade, which forbids the importation of luxury items, smuggling is rampant. In 1954, fines amounting to NT$4,683,485 were collected.

651 The salt tax was once the most important tax on the China Mainland. In Formosa,

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[2] The official exchange of Formosa currency in 1954 was NT$18.78 to US$1 and the market rate averaged NT$27.50 to US$1.

65/however, the bulk of salt produced is for export and is exempt from taxation.[3] Annual domestic consumption amounts to only 90,000 metric tons. In July 1953, the tax on table salt was fixed at NT$1,630 per metric ton; the tax on salt used by fisheries was fixed at NT$815 per metric ton. No tax is levied on salt used for agricultural and industrial purposes. In 1954, salt taxes yielded NT$90,517,419 to the central government.[4]

The tax on commodities are taxable on an ad valorem basis, regardless of whether they are domestic or imported goods:[5] cement, 15 per cent, cotton yarn, 5 per cent; woolen thread and yarn, 15 per cent; matches, 10 per cent; non-alcoholic beverages, 30 per cent. Taxes on refined sugar (35 per cent) and brown sugar (28 per cent) are collected in kind.[6]

Commodity tax rates are revised from year to year. The percentages given above

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[3] In 1954, 217,438 metric tons (239,183 short tons) were exported to Japan and Korea.

[4] Statistical Monthly, published by the Salt Administration, Taiwan Provincial Government.

[5] Commodity tax over and above the import duty is levied on imported goods.

[6] Chung-hua Min-kuo Nien-chien [Yearbook of the Republic of China], Taipei, 1954, p. 147.

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65 were in force in 1953-54. Commodity tax receipts increased from NT$160, 516, 397 in 1953 to NT$305, 970, 787 in 1954.

The income tax, inheritance tax, and the stamp tax are administered by the provincial government and their receipts are shared by all levels of government in the following manner:

	Income Tax	Inheritance Tax	Stamp Tax
Central Government	80%	20%	50%
Provincial Government	10%	30%	20%
Local Government	10%	50%	30%

Income tax is classified as scheduled income tax and as consolidated income tax. Scheduled income tax is divided into five categories, depending upon the source of income. The rates levied are: 5-50 per cent, on a progressive schedule, for income derived from commercial and industrial undertakings; 1-2 per cent on fixed salaries and renumeration for professional services; 3 per cent on income from interest; 6 per cent on income from rental property; and 15 per cent on incidental income, including grants, gifts, and money won by lottery.

651 The total amount of income tax collected in Formosa in 1954 was NT$306, 464, 916, comprising 7.6 per cent of all revenues of the island.

The stamp tax is levied on all invoices, bills, vouchers, contracts, and other documents bearing a face value of NT$9 or more. The rate varies, depending upon the nature of the documents.

Inheritance tax is collected on estates valued at NT$50,000 or more. On estates valued at NT$50,000 to NT$70,000, 1 per cent is charged. On estates valued at more than NT$70,000, a 3 per cent tax is collected on that portion between NT$70,000 and NT$100,000; 6 per cent on that portion between NT$100,000 and NT$150,000; 10 per cent on that portion between NT$150,000 and NT$250,000; 16 per cent on that portion between NT$250,000 and NT$400,000; 24 per cent on that portion between NT$400,000 and NT$600,000; 30 per cent on that portion between NT$600,000 and NT$900,000; and 40 per cent on that portion between NT$900,000 and NT$1,200,000. On estates valued at NT$1,200,000 or more, an inheritance tax of 60 per cent is charged on that portion over NT$1,200,000. Sixty per cent is the ceiling rate for inheritance tax.

651 In 1954, revenue from the stamp tax amounted to NT$157,387,218; the revenue from inheritance tax was only NT$1,733,238.

The defense tax is a surtax on other taxes, at varying rates. For example, there is a surcharge of 50 per cent on motor vehicle licenses, and there is a defense surtax of 30 per cent on business taxes. An electric-power tax, which is an item of defense tax, is levied on the consumption of electric energy. For industrial users, the tax represents 10 per cent of the total electric bill; for non-industrial users, the electric-power tax is 30 per cent of the total bill. The total revenue derived from the defense tax amounted to NT$623,141,480 in 1954.

The provincial taxes include land tax, business tax, and household tax. Land tax is collected in kind in the case of grain and in cash in the case of other produce. The grain collected is delivered to the armed forces by the provincial food bureau on behalf of the Ministry of Finance and is also rationed to civil servants. The provincial government keeps a steady supply of food not only for military and civilian consumption, but also to stabilize food prices. The value increment of urban land is taxed on a progressive scale. Land tax in Formosa in 1954 totaled NT$248,622,140

651/a part of which was allotted to the local governments as subsidy from the provincial government.

Business tax is levied either on the volume of business or the net profit according to the nature of the business. The rates of taxation vary from 1.5 per cent to 6 per cent. Household tax is levied on assets of individuals and corporations valued over NT$3,000. The rate is 0.5 per cent of the total value. The revenue from business tax in 1954 was NT$127,108,309 and from household tax was NT$179,454,138.

651 The most important items of revenue
6 for the provincial government are the profits from tobacco and wine monopolies. During the Japanese occupation, direct taxation provided less than 20 per cent of governmental income.[7] The major portion was derived from government-owned properties and undertakings. Government monopolies covered salt, camphor, opium, tobacco, matches, and petroleum.

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[7] In 1930, a year of normal prewar activity, out of a total revenue of ¥ 105,453,789, only ¥ 18,316,545 was raised by direct taxation.

651 655 Their profits accounted for fifty per cent of the total revenue. Now under the Chinese only wine and tobacco monopolies remain. Until 1953, all the income from the monopolies went to the provincial government. Since then a part of the profits is forwarded to the central government. Monopoly profits in 1954 amounted to NT$866,571,260.[8]

651 The taxes collected by local government* in 1954 were as follows:

House Tax	NT$ 82,990,410
Slaughter Tax	NT$183,008,444
Vehicle and Vessel License Tax	NT $ 38,064,145
Entertainment and Amusement Tax	NT$ 38,373,143
Title Deeds Tax	NT$ 25,130,005

* Statistical Abstract of the Republic of China 1955.

Government revenues have been steadily increasing since 1950 as evidenced [illegible]

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8. Actual monopoly profits received by the provincial government in the fiscal year 1954-55 were NT$820,000,000.

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65/following statistics; a great extent of the increase, of course, only reflects the continuous depreciation of the Chinese currency.

Tax Collection and Monopoly Profit, 1950-54
(in NT$)*

	Tax Collection	Monopoly Profit	Total
1950	709,671,711	174,158,146	883,829,857
1951	1,187,046,304	326,270,067	1,513,316,371
1952	1,988,836,074	547,753,227	2,536,589,301
1953	2,387,977,534	710,917,014	3,098,894,548
1954	3,173,685,192	866,571,014	4,040,256,452

* Statistical Abstratc of the Republic of China 1955.

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652 Due to inflation government expenditures grew enormously. Despite the increase in tax receipts, budget deficits occurred each year. Until 1953, the Chinese fiscal year corresponded to the calender year. In 1953 a change was made in the budget law to begin the fiscal year on July 1; thus fiscal year 1954 last from July 1, 1954 to June 30, 1955. Because the 1953 budget expired on December 31, 1953, a special budget for the first six months of 1954 was prepared. According to the figures released by the Chinese government, the amount of annual deficit of the central government for the years 1950 and 1954 was as follows. *

	Total Expenditure (NT$ million)	Deficit (NT$ million)	Percentage of Deficit to total expenditure
1950	1,296	410	31.6
1951	1,432	349	24.4
1952	1,918	174	9.1
1953	2,362	29	1.2
1954**	1,603	138	8.6

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* Statistical Abstract of the Republic of China 1955. The figures were the actual settlement figures.

** Special budget from January to June 30, 1954. The budget of the central government for the fiscal year 1954 is not yet available.

652 The deficit appears to be smaller than it actually was because the figures listed above only represent the receipts from bond issue and bank credit. A substantial portion of the national deficit has been met by the sale of gold and foreign exchange reserves, by disposal of government-owned property, and by applying funds derived from the sales proceeds of import articles financed by American aid (Counterpart Fund). Since government holdings of gold and foreign exchanges have been almost depleted, "Nationalist China ... [is] faced today with tremendous difficulties in balancing its in-the-red budget since U.S. aid funds no longer can be used for regular government expenditures."[9]

The largest item of government expenditure is the cost of maintaining military establishments. Other expenditures have been reduced to a minimum. At the end of 1954, excluding the military, only 11,585 persons were on the payrolls of the central government, less than 3 per cent of the total number of the civil functionaries[10] on the Mainland in June

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[9] Taipei dispatch, United Press, Sept. 23, 1955.

[10] The total number of civil service functionaries of the central government on June 1947 was 472,788. Statistical Yearbook of the Republic of China 1948.

652 1947. Despite efforts of retrenchment, defense expenditures still constitutes 80 per cent of the total.[11] Since a strong military force is indispensable in Formosa today, further reduction of defense outlay might be dangerous. The tax burden of the people is already extremely heavy. The national income in Formosa in 1954 was estimated at NT$23, 545 million, and per capita income at NT$2, 502.[12] The total amount of government taxes and monopoly profits in 1954 was NT$4, 040 million, and the per capita tax burden was NT$429. Thus every Formosan is paying 17 per cent of his meager income as taxes to the government. The incidence of taxation is the heavier since all the taxes are nearly indirect taxes on the essential of life.

To raise the revenue of the central government, perhaps greater attention should be devoted to an increase in the surplus of the government enterprises. Production of government enterprises exceeded 75 per cent of the gross production of the island, and 85 per cent of the exports passed through government hands. In addition, the Chinese government

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[11] Address by Mr. Hsü Po-yüan, Minister of Finance, Nov. 7, 1955 before the Central Committee of Kuomintang. Pan Asia News Alliance, Taipei dispatch, Nov. 7, 1955.

[12] The population in 1954 was estimated by the statistical department of the Taiwan Provincial Government at 9, 409, 050.

662 owns 92 per cent of the capital of all banks in Formosa. Under Japanese rule, surplus from public undertakings was the primary source of government income. In 1954, the national government of China derived nothing from the giant state corporations,[13] and the provincial government received only a modest NT$80 million from those under its control. According to observers, "Taiwan's industry is still characterized by a combination of relative youth on the one hand and of the use of antiquated method on the other. There are numerous evidences of a lack of effective planning and over-all integration."[14] "The size of staff and worker personnel in public enterprises is generally reported to be larger than can be profitably used."[15] With proper supervision and greater efficiency in operation, public enterprises can be made to yield a greater revenue to the central government, helping it to reduce its budgetary deficits.

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[13] The Taiwan Sugar Corporation alone is worth over US$120,000,000 and its annual production is valued at US$100,000,000.

[14] Arthur F. Raper and others, Urban and Industrial Taiwan - Crowded and Resourceful, Taipei, Sept. 1954, p. 10.

[15] Ibid., p. 63.

652 The provincial government and the local governments do not face the same serious financial difficulties confronting the central government. The provincial government is able to balance its budget each year. Its principal revenues are the land tax and the profits from monopolies. According to its published statement,[16] the total revenue of the provincial government for the fiscal year ending June 30, 1955 was NT$1,899 million. Rectipts from taxes were NT$691 million and profits from wine and tobacco monopolies were NT$820 million. Revenue from these two items amounted to 80 per cent of the total. The largest items of expenditure were for education and economic reconstruction. Educational and cultural expenditure totaled NT$180 million and expenditure for economic reconstruction amounted to NT$134 million. These two items accounted for 43 per cent of the total expenditure. The population of the province is increasing and new schools are needed; education expenses will occupy a larger proportion of provincial expenditure in future years.

The local governments have their own budgets. The total revenue of _hsien_ and municipal governments in the fiscal year ending June 30, 1955 amounted to NT$957 million.[17] Sixty-three per cent of the revenue is derived from local taxes and 26 per cent represents subsidies from central and provincial governments. Forty-two per cent of the expenditure is for educational purposes and 15 per cent for the maintenance of the local police force. For the current year there will be a serious drain on the local resources because a large number of recruits have been inducted into the army. The local governments are responsible for the support of the needy family of draftees. It is estimated that a sum of NT$80 million will be needed for this purpose.

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[16] _Central Daily News_, Taipei, Dec. 16, 1955, p. 6.

On the town and rural district level, the budget for the fiscal year ending June 30, 1955 was NT$355 million. Fifgy-nine per cent of the revenue comes from tax receipts and 23 per cent from subsidies by the provincial government. Forty-one per cent of the expenditure goes to administration expenses, 20 per cent to the improvement of communications, 9 per cent to education, and the remainder to public health.

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17. Report to Mr. Ch'en Han-p'ing, Provincial Commissioner of Finance, to the Provincial Assembly on Dec. 22, 1955 at the 4th meeting of the Second Session.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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652 Before the enforcement of self-government, local governments shared the same budgets with the provincial government. With independent budgets, the governments on the local levels enjoy a greater freedom in managing their own affairs. The local assemblies are endowed with the power to raise revenue for specific purposes by special assessments. Chinese society has been traditionally patriarchal; government has always been in the hands of the few. Self-government in Formosa is the first democratic experiment in the Chinese nation. The ability to achieve sound financial management is the crucial text of the success of this experiment. A careful survey of the administration of local affairs in the next few years will be well worthwhile.

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Annex "A," Subparagraph 3d,
Economic Background

BANKING AND CURRENCY

652 Modern banking, as it is known in the
436 West, came into being on Formosa during the Japanese occupation. The first bank on Formosa was a branch of a Japanese commercial bank, the Churitsu Bank, which was opened in Keelung during the first year of Japanese rule (1895). The Bank of Taiwan was established in 1899. It had the exclusive right to issue currency and was designated as the fiscal agent of the colonial government. It also did commercial banking, accepting deposits and extending loans, and dealt in foreign exchange. The notes issued between 1899 and 1904 were convertible into silver or were exchangeable at par for Japanese yen. In 1904 notes convertible into gold were issued. On notes which were not secured by gold or silver reserves, the Bank of Taiwan had to pay a tax of 5 per cent per annum. This rate was reduced to 3 per cent per annum in 1935. With
453 agricultural and industrial development of the island, banks prospered. The following banks were operating in Formosa at the end of 1944:

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	Number of Branches (including head office)
Bank of Taiwan	14
Taiwan Commercial and Industrial Bank	37
Chang Hua Bank	28
Hua Nan Bank	4
Taiwan Savings Bank	20
Cooperative Bank	45
Sanwa Bank*	3
Hypothec Bank*	5

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* Headquarters in Japan.

The Bank of Taiwan had 35 branches outside Formosa, and the Hua Nan Bank had five branches outside Formosa. In addition to the above there were also one trust company, four mutual-credit associations, and approximately 500 branches of co-operative and farmers' associations. During the first six months of 1945, to escape allied aerial bombings, banks were dispersed and the number of branch banks was increased.

652 After the war the Nationalist Government took over all the banking institutions on Formosa. Shares owned by the Japanese government and by Japanese firms and individuals were

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652 confiscated. The Bank of Taiwan continued to be the banker for the Provincial Government and for other banks. When the central government of China moved to Formosa, the head offices of the four Chinese national banks also moved to the island. The Central Bank of China (1) delegated its functions -- the issuance of notes, custody of the treasury, role as fiscal agent for the government -- to the Bank of Taiwan. The Bank of China (2) limited its activities to the supervision of its overseas branches.[1] The Bank of Communications (3) and the Farmers Bank of China (4) have suspended operations. Only the Central Trust of China engages in importing and exporting transactions and acts as the purchasing agent for the government.

The Japanese-controlled banks taken over by the Chinese authorities underwent reorganization. The Taiwan Savings Bank and the local branches of the Sanwa Bank were merged into the Bank of Taiwan. The branches of the Hypothec Bank of Japan, which once provided long-term credit for agriculture, were reorganized into the Land Bank. The Land

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[1] The Bank of China has branch offices in New York, Saigon, Havana, Bangkok, Phnom Penh, Osaka, Tokyo, and Sydney.

652 Bank took control of a considerable amount of farm land once owned by the Japanese Taiwan Development Company, which also make a practice of extending long-term loans to farmers. The Co-operative Bank was renamed the Taiwan Provincial Co-operative Treasury. It continues to co-ordinate and provide financial assistance to the co-operatives and the farmers' associations on the island. The Taiwan Provincial Government is also in complete control of the three commercial banks since it now owns the shares which belonged to the Japanese. The Taiwan Commercial and Industrial Bank has been renamed the First Commercial Bank.

Provincial Banks
(June 1955)

	No. of Offices*	Shares Owned (per cent)		
		Taiwan Provincial Gov.	Bank of Taiwan	Private
Bank of Taiwan	39	100	-	-
Land Bank	30	100	-	-
Co-operative Treasury	23	60	-	40#
First Commercial Bank	65	54	13	33

Hua Nan Bank	43	4	49	43
Chang Hua Bank	58	47	-	53

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* including head office and branches

# owned by co-operatives and farmers' associations

After reorganization, new directors and officials were chosen for all the provincial banks. The majority of directors, including the chairman of the board and managing directors, are native Formosans with the exception of those of the Bank of Taiwan. The Bank of Taiwan, nominally a provincial bank in practice, is controlled directly by the Central Government. The chairman of the board of directors is named or appointed with the approval of President Chiang Kai-shek. Its policy is dictated by the Ministry of Finance, but the provincial governor also has the right to supervise the operation of the bank. This dual control is a source of friction between the national and provincial governments. The Land Bank and the Co-operative Treasury are co-ordinated by the provincial government. The Land Bank has been instrumental in the implementation of the land reform program in Formosa.

All commercial banks are required to deposit a reserve fund at the Bank of Taiwan.

652Effective May 1, 1953, reserve required is 13 per cent of demand deposits and 8 per cent of fixed deposits. The government supervises the credit policy of the commercial bank through the Bank of Taiwan. Except for the general supervision of the Department of Finance of the provincial government, the administration and operation of the commercial banks are left to their respective boards of directors. For the lower income group there are private money lenders and credit unions (hui).[2] They do very little business because the rate of interest charged is exorbitant.

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[2] The credit union is a form of mutual-aid organization. For detailed description of its operation, see Arthur F. Raper and others, Urban and Industrial Taiwan - Crowded and Resourceful, Taipei, 1954, pp. 184-85.

Bank Deposits and Loans*

	Deposits (NT$ million)	Indices (June 1949 = 100)	Loans and Discounts (NT$ million)	Indices (June 1949 = 100)
1949	207	209	441	678
1950	659	666	632	972
1951	1,283	1,296	837	1,288
1952	2,096	2,117	1,488	2,289
1953	2,668	2,695	1,984	3,052
1954	3,278	3,311	2,711	4,171
(to April) 1955	3,991	4,031	3,066	4,717

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* Far Eastern Economic Review, Vol. XIX, No. 6, Aug. 11, 1955, p. 183.

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Interest Rates on Time Loans*
(Monthly)

	Bank of Taiwan	Other Banks	Private Lenders
1949	3.90	9.9	17.4
1950	2.10	3.9	12.0
1951	1.80	4.8	10.5
1952	1.80	3.3	6.6
1953	1.20	2.4	4.3
1954	0.99	1.9	4.1
1955 (June)	.99		4.2

* Statistics of Economic Research Department, Bank of Taiwan.

# on unsecured loans in the city of Taipei. Interest rates vary from city to city; from 2.4 per cent to 4 per cent monthly, as of June 30, 1955.

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453 The Bank of Taiwan once granted preferential interest rates to public enterprises, but the practice was deprecicated by private industry and has been discontinued. The reduction of interest rates, in spite of inflation, is a healthy sign, because a lower interest rate enables manufacturers to increase their capital investment and to reduce the cost of production, thus contributing to industrial expansion.

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BANK LOANS AND DISCOUNTS* (April 1955)

(unit: NT$1,000)

		Total
Public Enterprises		1,617,094
a. Production enterprises	966,605	
b. Provincial Unified Fiscal Account#	599,329	
c. Communications	51,010	
d. Others	150	
Private Enterprises		1,179,203
a. Production enterprises	691,027	
b. Communications	44,502	
c. Others	443,674	
Grand Total		2,796,297

* Data from the Bank of Taiwan. Of the total, 68 per cent was loaned by the Bank of Taiwan and 32 per cent by all other banks.

# Including Wine and Tobacco Monopoly Bureau, Forestry Administration, Taiwan Food Board, Bureau of Supplies, Coal Adjustment Commission, and the Provincial Railway and Highway Administrations.

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453 The total deposits in banks as of December 31, 1954 was NT$3, 110 million, of which NT$1, 390 million was from public and governmental agencies. Nearly two-thirds of the total bank deposits in the province, NT$1, 957 million were held by the Bank of Taiwan.[3] These statistics indicate the dominant position of the Bank of Taiwan in the economic life of Formosa.

436 Formosa enjoyed a stable currency before Japan attempted the conquest of China. After 1937, a period of inflation began. The amount of currency in circulation increased from 64. 2 million yen in 1936 to 536. 2 million yen in 1944. Through price- and wage-control and enforced savings, the Japanese administration was able to fight inflation. In 1945, however, the note issue jumped to a monthly average of 1, 568 million yen. There was a shortage of food and other consumer goods, and the whole system of economy broke down. Prices soared.

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3. Statistical Abstract of the Republic of China, 1955, Directorate General of Budgets, Accounts, and Statistics, Executive Yuan, Taipei, 1955, pp. 174-75.

436 Formosa came under Chinese control in November 1945. The same monetary unit was continued in circulation but was renamed the Taipi, or Taiwan dollar (T$). At the end of 1945, the total amount of currency in circulation amounted to T$2,311 millions. The dislocation of the credit system, the loss of the Japanese market, the acute shortage of consumer goods, and the urgent need to repair war damages led to the continuous expansion of note issues and bank credit. In three years, currency in circulation increased to T$142,041 million as of December 31, 1948.[4] In 1949, the Chinese National Government was moved to Formosa. The island was faced not only with an influx of refugees requiring consumer goods, but the need to finance a national army and a government administration. Inflation mounted. On June 14, 1949, currency notes reached the astronomical figure of T$527,000 million, and "cash orders," a substitute for currency issued by the Bank of Taiwan amounted to T$1,214,000 million. The total currency and substitute-currency in circulation was T$1,741,000 million. (A U.S. dollar was worth T$235,000.) Prices rocketed. At the last moment a financial crisis was averted by currency reform. On June 15, 1949 new currency was introduced, called Hsin Taipi or the New Taiwan dollar (NT$).

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[4] Financial Report of the Bank of Taiwan for 1948.

436 662 The old currency was converted to New Taiwan dollars at T$40,000 to NT$1. The outstanding currency notes and cash orders were reduced to NT$44 million. A ceiling for the new note issue was set at NT$200 million, equivalent to U.S. $40 million at the official rate of NT$5 to US$1. The new note issue was backed by 100 per cent reserves of gold and foreign exchange.

Because of huge military disbursements and the need for the rehabilitation of government enterprises, the Chinese government was compelled to borrow heavily from the Bank of Taiwan. At the end of 1949, the total note issue reached NT$198 million, approaching the nominal maximum. During the following years the law was altered several times to permit the issue of "extra limit currency." (Extra limit currency may be secured by commercial bills of acceptance, warehouse receipts, and loans against packing or packed commodities.) The note issue steadily expanded; at the end of 1954 the total issue reached NT$1,043 million, five times the maximum limit. Despite the efforts of the government to avoid further inflation, general price levels increased with the increase in the amount of notes in circulation.

Note Issue*

End of Year	Total Amount of Note Issue (NT $million)#	Indices of Note Issue (June 15, 1949 = 100)	Loans and Advances to Public Treasury[x] (NT $million)	Wholesale Prices Indices in Taipei (June 30, 1949 = 100)
1949	198	452	15	183
1950	248	569	497	345
1951	390	895	684	526
1952	589	1,350	681	544
1953	773	1,773	828	631
1954	1,043	2,390	1,138	616
1955[y]	1,164	2,650	not yet	available

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* Statistical Abstract of the Republic of China 1955, pp. 164-67.

# Amount of subsidiary currency is not included in these figures. At end of 1954 subsidiary notes in circulation amounted to NT$175 million.

[x] Granted to both the central and provincial governments.

[y] Chung-yang Jih-pao [Central Daily News], Taipei, Jan. 3, 1956, p. 3.

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457 It should be noted that price levels have risen 700 per cent and the amount of notes issued has increased 2,600 per cent. Similarly foreign exchange has not depreciated to the same extent as the increase of money in circulation. The official exchange rate[5] for US dollars has increased from NT$5 to NT$24.78; the market rate[6] for US dollars has increased from NT$7.82 on December 31, 1949 to NT$37.50 on November 6, 1955.

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662 The pressure of inflation on the economy of Formosa has been alleviated by a number of factors. The enormous growth in population and industrial expansion tend to absorb a part of the increased money supply. The government controls an abundant reserve of rice, wheat flour, and other essential goods, which may be used to stabilize prices. The depreciation of the external value of the currency has been partially offset by aid from the United States and the personal expenditure of United States advisory personnel in Formosa.

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[5] The 1955 figure includes the bank exchange rate of NT$15.65 plus 20 per cent defense tax (NT$3.13) plus the certificate price of NT$6.00.

[6] United Press dispatch, Taipei, Nov. 6, 1955.

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45 However, these favorable factors may be 65 of no help if the trend toward inflation continues unabated. The principal cause of continued inflation is government borrowing. Advances to the public treasury at the end of 1954 amounted to NT$1,138 million; the total note issue was only NT$1,043 million. Unless the Chinese government is able to drastically reduce its huge budgetary deficit by raising more revenue and cutting its expenditures, it will be difficult to control inflation, and unless the dangers of inflation are avoided, it will be impossible to achieve financial stability.

Annex "A," Subparagraph 3e,
Economic Background

TRADE

I. DOMESTIC TRADE

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434 The most recent complete estimate of Formosa's national income reveals that, in 1951, domestic trade, including wholesaling and retailing, contributed a little more than 11 per cent to the gross national product.[1] This percentage, however, does not include production in terms of storage and transportation related to wholesaling and retailing. If this fact is taken into consideration, it would appear that domestic trade occupies a more important position in the formation of the national income than the statistical figure indicates. As of 1953, about 8.5 per cent of the total working population of 2.9 million were engaged in domestic trade.[2] Popular

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[1] Industrial Development Commission, Industry of Free China, Vol. II, No. 5, Nov. 1954, p. 6. Many wholesaler may be engaged in foreign trade and other activities, but detailed classification is not available. Therefore the figure here is an approximate indication.

[2] China News Press, China Annual 1954, Vol. 3, p. 77. For detailed breakdown, see the chapter on Population in this handbook.

438 434 belief has been, particularly in the postwar years, that in Formosa more opportunities for money-making exist in trade and enterprise than in other fields.

A. Channels of Trade

438 656 The marketing system of Formosa is in part free and in part controlled. Certain commodities are strictly in the hands of the government as far as production and distribution are concerned. Prices of some commodities [436] are regulated and the movement of other commodities is controlled by the government. Some commodities are controlled in their production phase and some in their distribution phase. Since it is difficult to describe the marketing system in general terms, the process as it applies to a few typical commodities will be discussed.

Rice: To effect control on movements of rice, the Provincial Food Bureau has established seven food districts on the island • Taipei, Hsinchu, Taichung, Tainan, Kaohsiung, East Taiwan, and Penghu - designating each as either "surplus," "self-sufficient," or "deficient." Only the Taipei and Penghu districts are considered deficient areas. Taichung, Hsinchu, Kaohsiung, and Tianan are surplus districts. The regional movement of rice is determined at the discretion of the Provincial

438 656 Food Bureau. Shipment of rice from one district to another is prohibited unless prior permission has been granted by the local district office or a branch office of the Provincial Food Bureau. For example, a Taipei merchant cannot purchase and move rice from the Tainan district without permission from the district office of the Provincial Food Bureau in Tainan.

442 Within this framework of control, rice merchants engage in one or more marketing activities -- transporting, milling, wholesaling, or retailing. They may be roughly classified into eight groups:

1. Local wholesalers and retailers -- receive unhulled rice from farmers for milling and sell to local retailers or to wholesalers at transit market.

2. Wholesalers at transit market -- buy rice, mostly brown, from the local wholesaling mills and sell to wholesalers at consumption markets, say in Taipei. These merchants are usually located in Taichung and Hsinchu, and at times they utilize the service of brokers to effect sales.

3. Wholesalers and retailers at transit market -- their function is the same as the wholesaler at transit market, although

442 they also sell at retail to local consumers.

4. Wholesalers at consumption market in large cities and in the vicinity of Taipei and Penghu.

5. Wholesalers and retailers at consumption market.

6. Retailers -- retail polished rice to consumers.

7. Brokers -- there are two kinds of brokers: one acts for local mills in the producing area and wholesalers at the transit market and one acts for wholesalers at transit markets and wholesalers at consumption markets.

8. Warehousers -- provide storage space for farmers at harvest season and for transit wholesalers when rice is shipped to consumption areas. The former are in producing areas, the latter are generally in large cities such as Keelung and Taipei. Farmers' associations also store rice for growers.

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443 Some retailers and most wholesalers own milling and refining facilities to provide rice of various grades of whiteness. Although milling is often included in the process of wholesaling and retailing, these services also

442 443 function independently to provide sales facilities for some large mills which engage only in processing.

In addition to the independent activities described above, some rural co-operatives also store, mill, and wholesale rice.

As of early 1953, there were 8,115 rice merchants of one kind or another on the island: 2,813 wholesalers, 2,305 retailers, 2,936 mill operators, 49 brokers, and 12 warehousemen.[3]

656 436 The Provincial Food Bureau, as well as maintaining control over the movement and distribution of rice, also acquires a considerable amount of the rice produced yearly (some 30 per cent in 1951), since the government may barter fertilizer (which it controls) in exchange for rice and also receives some rice in payment of taxes. The bureau rations its rice to civil employees and sets aside a certain amount

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[3] Hsieh Shen-chung, "T'ai-wan Ti Nung-ch'an Yün-hsiao Chih-tu," ["The Marketing System of Agricultural Produce in Taiwan"], T'ai-wan Ching-chi Yüeh-k'an [Taiwan Economic Monthly], Vol. 10, No. 4, Taipei, April 1954, pp. 29-34. The classification used here appears rather arbitrary. It may be that those registered as wholesalers are also engaged in retailing.

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436 each year to meet emergencies and maintain a stable market price.

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4413 **Vegetables:** Taipei, with a population of nearly 700,000 as of late 1955 consumes more vegetables (as well as other commodities) than other cities on the island. Vegetables for the city are produced in its suburban areas and in the regions of Taichung and Changhua during spring and winter. Yilan also supplies a sizable quantity of vegetables to Taipei (about 3,000 metric tons a year). Producers in the vicinity of Taipei sell vegetables directly to consumers or to local vegetable traders who sell to city dealers. In areas at a greater distance from the consumer, local vegetable traders sell to sales-agents, who sell to retailers at 6 per cent commission. The retailers clean and grade the vegetables before offering them to the public.

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317 **Salt:** The Taiwan Salt Works, the sole producer of salt in Formosa, supplies salt directly to industrial consumers. The supply to general consumers is controlled by the Provincial Food Bureau, which has offices near railroad stations in the vicinity of the salt fields. The allotment of salt to licensed wholesalers is governed by directives from the Provincial Food Bureau.

339 656 435 Cement: Cement was originally distributed under the supervision of the Cement Distribution Secreening Committee of the Provincial Department of Reconstruction. To effect tighter control over the sale and use of all building materials, cement was placed under the supervision of the Provincial Supply Bureau in September 1953. The bureau determines allotments to building material traders' associations and cement traders' associations throughout the island; they in turn allocate cement to their members, and the members to consumers. The wholesale price is fixed, currently at NT $30 per bag (about 50 kgs.); however, the retail price is allowed to fluctuate according to supply and demand -- about NT $50 per bag in early 1955, and about NT $40 in late 1955.[4]

655 Tobacco and Alcoholic Beverages: Production and distribution of these goods are completely under government monopoly. The Taiwan Tobacco and Wine Monopoly Bureau has eleven branches and two business offices, which handle distribution of these commodities to three types of wholesale establishments -- the city, county, and town co-operatives; the

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[4] Kung-shang Yüeh-k'an [Industry-Commerce Monthly], Vol. 3, No. 10, p. 94; The Central Daily News, Dec. 4, Dec. 15, 1955.

655 tobacco and beverage wholesale houses; and the bureau's own wholesale offices. The tobacco and beverage wholesale houses sell directly to general retailers; all the other types of wholesalers of these commodities sell to their own retailers. All the wholesalers and retailers must be approved by the bureau, which fixes prices at both levels.

B. Small Business

443 Retail sales in large cities are handled by modern department stores, speciality stores and shops, general stores, roadside stands, and peddlers. In general the organized
[435] department stores and other shops sell goods at a fixed price whereas the roadside stands and peddlers have no fixed prices. The large stores and shops generally operate at a higher cost and margin of profit than do the peddlers and proprietors of roadside stands, who are satisfied with a small profit, need only minimum capital, and pay no interest, rent, or taxes. Small business has increased in Formosa due to lack of other opportunities for employment. Enterprising people create marginal self-employment by establishing roadside stands for the sale of food and other everyday necessities., The buying public seems to favor this type of "little" business where various items can be bought more inexpensively than in

443 established stores and shops, provided one has skill in bargaining. Some operators at times manage to sell their items at high prices to unsuspecting customers.

II. FOREIGN TRADE

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459 Foreign trade has had a stimulating effect upon the economic life of Formosa. The island must export its surplus products to afford the necessary imports of materials vital to its industrial and consumption needs. Businessmen are particularly concerned about the timely arrival of goods from foreign exchange. A great part of a businessman's profit or loss is predicated on his ability to anticipate and take advantage of government changes in the rate of foreign exchange and trade control measures. To operate successfully in Formosan society, a foreign trader must not only have experience and intuition concerning the right time and place to buy and sell, but also must possess initiative, shrewdness, and influence.

Formosa's principal exports include such items as tea, salt, sugar, rice, canned pineapple, bananas, coal, and camphor. Formosa is dependent upon foreign countries for such articles as precision machinery, motor vehicles, raw cotton, gypsum, crude oil, chemical fertilizers, bauxite, wheat, dairy

439/products, modern medicines, and soybeans.
457 If export commodities are not sold overseas, the prices of these articles at home may be adversely affected; delay in the arrival of, or restrictions on, imported commodities may cause prices in Formosa to rise; and price changes of import and export commodities may cause a sharp increase in the prices of domestic goods. Shrewd manipulators take advantage of these market conditions to increase their profits. For the economy of Formosa to function and prosper, a stable and efficient system of import and export is imperative.

A. General Position of Trade

In terms of volume, the recent history of Formosa's foreign trade is characterized by a rapid expansion during the two decades preceding 1940, a sudden drop immediately after World War II and a gradual increase since 1945. In prewar years, a constant positive trade balance had accumulated; the postwar years have produced a persistent trade deficit, which in large has been met by aid from the United States.

Japan, the United States, Hong Kong, and Britain have been the most important trade partners of Formosa in the postwar years:

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Formosan Trade, 1953*
(per cent)

Country	Export to	Import from
Japan	45.55	30.63
United States	4.18	38.67
Hong Kong	8.19	5.74
Britain	6.67	4.11
Egypt	3.46	1.61
Netherlands	3.05	3.11
Straits Settlements and Federated Malay States	7.89	1.57
Arabia	2.24	2.57
Other countries	18.72	11.99
Total	100.00	100.00

* The Inspector-General of Customs, The Trade of China, 1953, Taipei, 1954, Chart 4.

Currently, annual trade amounts to about 300 million American dollars whereas the annual trade in the years 1935-37 was about 200 million dollars.[5] When adjusted to prewar

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[5] Ministry of Economic Affairs, Republic of China; Navy Department, Civil Affairs Handbook, Taiwan - Economic Supplement, Washington, D.C., 1944, p. 72.

439 prices, current trade is still below the prewar
457 level. Many reasons account for this change, but in the main it is caused by a transfer in the management of the island's economy. The Japanese exploited Formosa as a colony, and thus there was a constant flow of goods from the island, creating a trade surplus. The favorable trade balance was based on Formosa's position as an agricultural colony of Japan. The present administration, with aid extended by the United States, is endeavoring to build an independent and self-sufficient economy for the welfare of the people on the island. The recent announcement of Hsu Po-yüan, Minister of Finance, that the island will launch its second Four-Year Economic Plan in 1957 indicates an intention to continue present policy. This, in effect, means that the government will attempt to minimize foreign expenditures and increase foreign earnings while efforts are made to balance domestic production and consumption. As far as foreign trade is concerned, this in no way means the reduction of Formosa's dependence on the outside world. To continue the development of its textile industry, the island still requires imported raw material amounting to over US$20,000,000 annually. The swiftly expanding fertilizer industry depends on the import of phosphate , and the flour industry relies heavily on the import of wheat. The same applies to the petroleum refining industry, which would

439 probably have to cease operation if the import
451 of crude oil stopped. However, it is clear that the import of raw materials instead of manufactured goods will tend to decrease the total value of import expenditure. To a certain extent, world market conditions and production costs in Formosa also account for the low rate of trade in recent years.

The most important exports of the island have been sugar and rice. In 1954, sugar export accounted for 60 per cent of the total foreign exchange, and rice for about 8 per cent. Tea export was third in volume before 1954; in 1954 it accounted for nearly 10 per cent of the total export. Next in importance are bananas, salt, canned pineapple, coal, and citronella oil, each accounting for from one to five per cent of the total exports in various years.[6]

Import commodities in 1954 were listed by the ministry of economic affairs in the following order of value: machinery and tools, metals and metal products, chemical fertilizers, raw cotton, wheat and flour, and soyabeans, each valued at from US$14,000,000 to US$25,000,000; crude oil and gasoline, medicines,

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[6] Ibid.

439 ships, motor vehicles and parts, wool and
457 artificial fabrics, fat and wax, chemicals,
and salted and dried fish, each valued from US$3,000,000 to US$11,000,000. In recent years, imports of investment goods and industrial raw materials have been increased, while consumer items have been greatly decreased.[7]

Increased activities in industrialization and an expanding population in the last seven years have necessitated a rising volume of imports; exports have failed to keep pace. The following table presents a picture of the situation:

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[7] *Ibid.*

FORMOSA -- TOTAL IMPORT AND EXPORT[*] (In millions of U.S. dollars)

	Total export	Total import[#]	Trade deficit
1950	93.1	110.1	17.0
1951	93.1	143.3	50.2
1952	119.5	207.0	71.9
1953	129.8	190.6	60.8
1954	97.8	203.7	105.9
1955	130.0[x]	-[y]	

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[*] Ministry of Economic Affairs, Formosa.

[#] Including commercial import, U.S. aid import, and import through self-provided foreign exchange.

[x] From *Asia Foundation Bulletin*, January 20, 1956.

[y] Not available.

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45:Stanford U. S-4, 5 1956 ADI Formosa
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439 The government has established in the past
459 years a set of schemes for control of foreign exchange and trade flow to prevent the flight of capital abroad and reduce the trade deficit.[8]

B. Trade and Foreign Exchange Controls

The Foreign Exchange and Foreign Trade Screening Committee of the Executive Yuan is charged with the duties of determing foreign exchange and foreign trade measures and of examining the use of foreign exchange. The committee functions only as a screening and licensing unit; the Bank of Taiwan is the only organization on the island given authority to engage in foreign exchange business. All imports by public enterprises or private firms, with few exceptions, must be licensed,[9] and the issuance of an import license carries with it approval for the allocation of necessary

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[8] Trade deficit here is viewed from an overall economic standpoint. Frequent reports indicating a favorable trade balance only relate to commercial import as compared with export.

[9] The exceptions are: imports by the International Co-operation Administration Mission to China, official supplies and personal effects of foreign consulates and diplomatic personnel, commercial samples, etc.

(This table follows p. 652.)

APPENDIX III

A TABLE OF WEIGHTS AND MEASURES

Area

Hectare	Taiwan (Chia)	Shih Mow	Mow	Japanese Tsubo	Acre
1	1.03102	15.00000	16.27620	3025.00000	
0.06667	0.06873	1	1.08508	201.66667	2.47114
0.61444	0.06335	0.92159	1	185.80419	0.16474
0.00033	0.00034	0.00496	0.00538	1	0.15183
0.00992	0.01022	0.14876	0.16142	30.00000	0.00082
0.96992	1	14.54880	15.78657	2934.00000	0.02451
0.40469	0.41724	6.07031	6.58877	1224.17056	2.39680
					1

Length

Meter	Kilometer	Shih Foot	Chinese Foot	Foot	Mile
1	.00100	3.00000	3.12500	3.28083	0.00062
0.33333	.00033	1	1.04167	1.09361	0.00021
0.32000	.00032	0.96000	1	1.04986	0.00020
0.30303	.00030	0.90909	0.94697	0.99421	0.00019
0.30479	.00030	0.91439	0.95349	1	0.00019
1000.00000	1	3000.00000	3125.00000	3280.83357	0.62139
3927.27273	3.92727	11781.81820	12272.72728	12884.56080	2.44024
1609.31490	1.60931	4827.94477	5029.12032	5280.00000	1

Weight

Kilo	Taiwan Catty	Shih Catty	Japanese Kin	Pound	Long Ton
1	1.67	2.00	1.66	2.20	0.00098
0.59682	1	1.19	0.99	1.31	0.00059
0.50000	0.83	1	0.83	1.10	0.00049
0.60000	1.00	1.20	1	1.32	0.00059
0.00375	0.01	0.01	0.01		0.0000036
0.45459	0.76	0.90	0.75	1	0.00045
1016.04704	1702.48	2032.09	1693.41	2240.00	1
907.18800	1520.08	1814.37	1521.97	2000.00	0.89286

Volume

Hectoliter	Liter	Japanese Koku	Japanese To	Gallon Standard
1	100.00	0.55	55.43	26.42
1.80	180.39	1	10.00	47.65
0.01	1	0.01	0.55	0.26
0.02	1.80	0.01	0.10	0.47
0.18	18.03	0.10	1	4.75
0.04	4.54	0.02	0.25	1.20
0.03	3.78	0.02	0.20	1

[this table follows p. 652]

439 457 foreign exchange.

Before arranging for shipment of exportable goods, exporters must make a declaration of value in terms of foreign currency to the Bank of Taiwan. If the sales price is not at least equal to the floor price set by the bank, a separate appraisal by the customs is required. Exporters are required to surrender their export proceeds in foreign exchange to the Bank of Taiwan, receiving in return foreign exchange deposit certificates and New Taiwan dollars at the bank rate; the proportion between two methods of payment is determined by the bank. The deposit certificate are negotiable for ninety days after the date of issuance. Upon expiration, the certificate must be resold to the bank at an officially determined price. The current price[10] amounts to a total exchange rate of NT $24.66 per US $1, figured on the basis of an official exchange rate of NT $15.50 per US $1 plus a "certificate price" of NT $6 per US $1 and a defense tax equivalent amounting to 20 per cent of the existing exchange rate. However, nearly all exporters negotiate the certificates on the open market where a "certificate price" of NT $16-17 per US $1 raises the total exchange rate[11] of the

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[10] Regulations Governing Measures Pertaining to Sales and Purchase of Foreign Exchange, promulgated on October 22, 1955.

[11] The Central Daily News, Nov. 28, 1955.

439 certificate to NT $34-35 per US $1. Certificates
457 bring high prices on the open market because importers must submit certificates in amounts equivalent to the foreign exchange alloted them by the licensing authorities. The supply of certificates is always less than the demand since there are more importers than exporters and because export-import traders often retain their own certificates against import requirements. If the exporter holds the certificate beyond ninety days, however, he suffers a loss amounting to the difference between the open market and official certificate price. An exporter cannot convert all his foreign exchange proceeds at the market rate since he receives only a part of them in certificates -- in the case of sugar, 80 per cent. and bananas, 50 per cent. On the portion of his foreign sales for which New Taiwan dollars are issued, the exporter sustains a loss amounting to the differences between the exchange rates.

Licensing of imports is carried out within an "import budgeting system," in which the authority announces an import budget once every two months covering imports for the following two months. Each budget specifies what commodities are to be imported and allocates to each commodity a specific amount of foreign exchange. An importer must be

439 duly registered with the government, and he 457 is permitted to apply for permission to import only one kind of commodity during the budget period. Also, a maximum is set on the amount of foreign exchange any one importer may be allotted. The foreign exchange aportioned against any single commodity during a given period may be so small that when it is divided among a number of importers none is assured of a reasonable profit. Some importers sell their import licenses at prices ranging from NT $23,000 to NT $27,000, the cost of import[12] for the buyer of the license will be increased by an amount ranging from NT $11.50 to NT $13.50 per US $1. There exists an acute shortage of foreign exchange in spite of the fact that the government at times engages in the sale of foreign exchange deposit certificates in the open market. A private importer must pay NT $15.65 bank exchange rate at the Bank of Taiwan, plus 20 per cent as defense tax, and must submit the equivalent foreign exchange in deposit certificates. Government enterprises are not required to submit the certificates but must pay the official certificate price of NT$6 to US$1. Thus, the government enterprise is in a more

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[12] Ibid.

439 advantageous position than the private importer,
457 who has to buy certificates in the amount he
needs at current market rates. In effect, government enterprises pay NT $24.78 per US$1 for import and private importers pay NT $34-35 per US $1. The actual rate at which private importers pay for their exchange is thus largely affected by the current market price for the certificates and by the cost of fees that may be necessary to secure additional import licenses.

In summary, trade control is primarily effected by the requirement that exporters and importers to do business must be duly registered with the government, which may refuse to register an applicant .   In addition, export prices must be in line with the price determined by the Bank of Taiwan; import is restricted by the import budget. In foreign exchange control, the foreign exchange deposit certificate system is implemented by the partial relationship maintained between export and import and by the existence of multiple exchange rates. As well as the official rates for import and export, there exists a black market rate[13] for American

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[13] Tzu-yu Chung-kuo Pao [Free China Daily], San Francisco, Nov. 7, 1955.

439 notes -- about NT $38 per US$1. There also
457 is a "preferential" rate of NT $34 per US$1
for cash or remittances surendered to the Bank
of Taiwan by American personnel and by
visiting overseas Chinese.[14]

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[14] Courtesy of Professor Li Ch'ao-ying of National Taiwan University.

1: Stanford U. S-4, 5 1956 AD1 Formosa AD1

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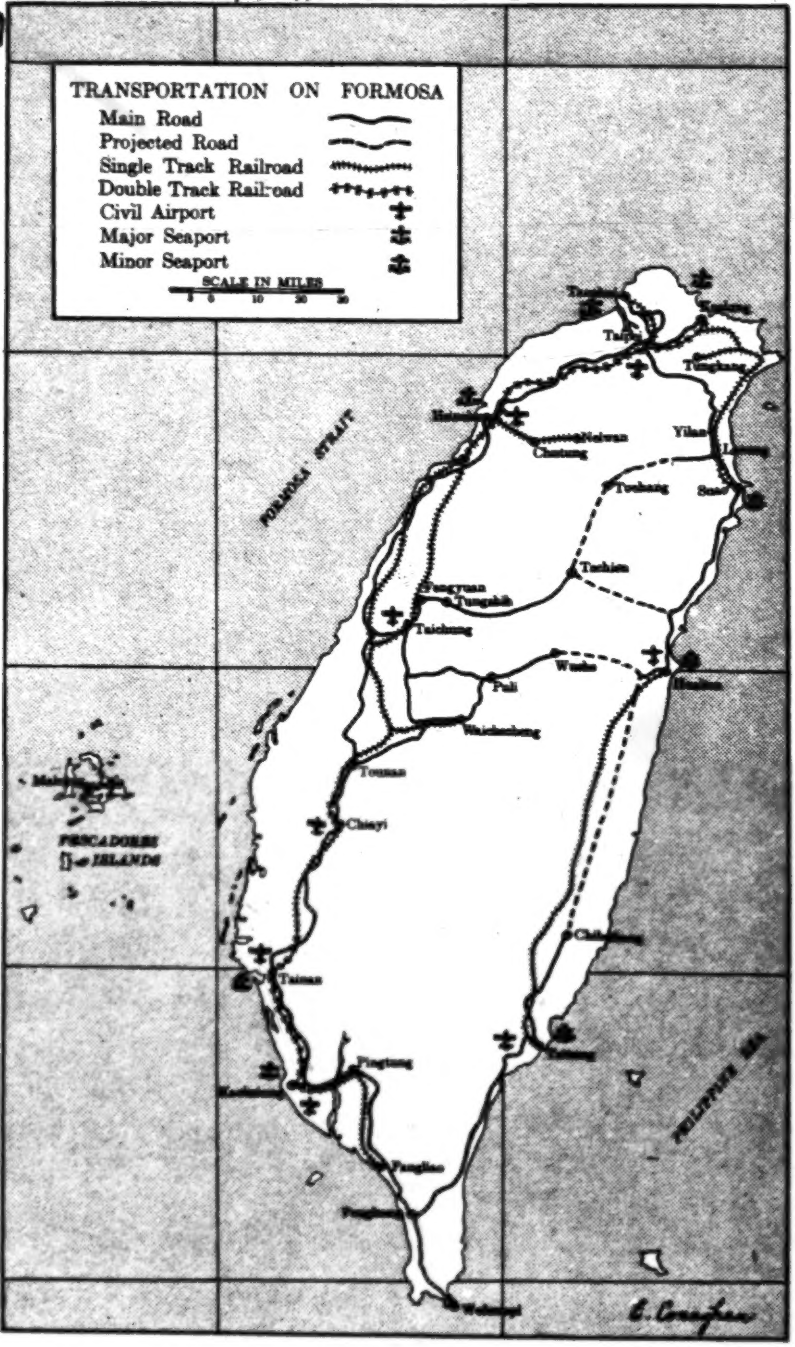
TRANSPORTATION ON FORMOSA
Main Road
Projected Road
Single Track Railroad
Double Track Railroad
Civil Airport
Major Seaport
Minor Seaport
SCALE IN MILES
0
10
20
30
FORMOSA STRAIT
Taipei
Keelung
Tungkang
Neiwan
Chutung
Yilan
Suao
Tachien
Fengyuan
Tungshih
Taichung
Wushe
Puli
Chiayi
Tainan
Pingtung
Fangliao
PESCADORES ISLANDS
PHILIPPINE SEA

A C

Reduce AC to BC

B C

Transportation, facing p. 630

[Facing p. 658]

AD 1

~~AD 1~~

Annex "A," Subparagraph 3f,
Economic Background

TRANSPORTATION

I. INTRODUCTION

489 Western Formosa is well served by a network of railways and highways. The mass of the people who have to travel relatively long distances, depend on the railroad; highway buses are utilized for shorter trips. Due to natural barriers, there are no railroad connections between the west coast and the east coast of Formosa. The transportation facilities on the east coast are relatively poor. There are no roads for vehicular traffic across the central mountain barriers. Plans to overcome the latter difficulty are now underway, however. With the exception of a gap between Chihshang, north of Taitung, and Hualien, highways now make a circuit of the island. Supplementing the railroad and highway lines are privately owned pushcar lines operating cars known as "daisha" or "T'ai vehicles" (Taiwan vehicles). Small flat cars are pushed manually along 18-20" gauge rails; they are used for passengers and the transport of sugar cane, coal, and lumber. In most instances they serve towns in the interior of the island and are often the only means of transport for a sizeable area. Pedicabs are used extensively in the cities, and ox-driven carts and man-pulled carts are used in both city and country.

504 There are only two important natural harbors, Keelung and Kaohsiung. Almost all foreign shipping passes through these two ports. Coastal shipping is carried on largely through ports of secondary importance such as Hualien, Suao, Makung, Tanshui, Anping, Lukang, Tungkang, Taitung, and Hsinkang. These harbors with the exception of Hualien, are only capable of accomodating small vessels and fishing boats.

506 Domestic air transport is in its infancy. International air lines connect with the United States, Japan, Korea, Hong Kong, the Philippines, and Thailand.

II. RAILWAY TRANSPORT

497 The Formosa railway constitutes the foundation of the island's transportation system. However, its position is in process of being challenged by increasing activity in highway transportation. The government-owned Taiwan Railway Administration (TRA) operates an extensive network of lines called the Western System and the single-tracked line which forms the Eastern System. Taiwan Sugar Corporation also operates railroad lines totaling 1,543 miles (2, 649 kilometers). The 30" tracks of the sugar corporation extend over sugar-producing areas for the purpose of transporting sugar cane, supplies, and fertilizers.[1] In addition, this system offers passenger service. The Taiwan Forestry Administration owns, besides a number of small narrow gauge railways, three lines of 30"gauge, used for the transporation of lumber and a few passengers; these lines connect Chiayi with the

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1. Foreign Operation Adm., Mission to China, Taiwan Economic Data Book, Part II, Vol. III, 1955, Taipei.

497 with the A-li-shan (阿里山) forestry area, link Fengyuan to Pahsien-shan forestry area, and unite Tuchang (土場) with Lotung westward for lumber from Mount T'ai-p'ing (太平). There are many other companies and various coal mines that operate shor sections of narrow gauge railways.

496 The TRA is the largest and the sole publicly owned carrier on the island. Its western system comprises a network of main and branch lines of 42" gauge tracks approximately 472 miles (760) kilometers) long. The main line links Keelung with Kaohsiung while connecting major cities of Taipei, Hsinchu, Taichung, Chiayi, Tainan, and Pingtung. This line has four tracks between Keelung and Patu, double tracks between Patu and Chunan, between Minhsiung and Chiayi, and between Hsinshih and Fengshan, and single tracks for the rest. It forms a loop between Chunan and Changhua with one track along the coast and the other through the mountains. The Eastern System, of 30" gauge single track, connects Hualien and Taitung over a distance of 110 miles (176 kilometers).[2]

497 Traffic (both freight and passenger movements) has been on the increase in recent years due to the increase in population and the expansion of industria activities. Railroad facilities are taxed to their limit in spite of the fact that new rolling stock has been added, some branch lines have been extended, and operational efficiency has been increased. In 1955, the number of passengers carried by TRA alor

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[2] Ibid.

497 reached over 74 million; approximately 66.8 million passengers were carried by the same company in 1954. In terms of the average mileage covered by those passengers in 1955, the traffic was 2,272.9 million passenger-kilometers. Commuters account for an important portion of the total - 43 per cent. The remainder are ordinary passengers (46 per cent) and special passengers (i.e., military troops -- 11 per cent). Of the commuters, over 80 per cent are students, reported by TRA to be about 50,000,[3] who attend school in the cities and return to their village homes each day. There is, in consequence, a congestion problem in morning-evening rush hours, whereas some carriers are nearly empty during the slack hours of the day. Commutation tickets are sold at a considerable discount in order to help students who otherwise might not be able to attend distant schools.[4] In 1955, a total of 10 million metric tons of freight was carried; in terms of average distance covered, 157.3 million ton-kilometers. Movement of coal accounted for 12 per cent of the tonnage carried. Rice and sugar, respectively accounted for 6.7 per cent and 6.2 per cent. Other major freight hauled included fertilizer, cement, road building materials, lumber, and salt; military freight was 21.4 per cent of the total. It is reported that an average of 2,000 tons of freight are carried

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[3] Ibid.

[4] The Central Daily News, Jan. 5, 1956.

497 daily. There is an increasing need for additional freight cars.[5]

The erosive soil of Formosa, frequent typhoons and floods cause damage to roadbeds, bridges, and tunnels. This is especially true for the Eastern System of the TRA; services are frequently discontinued temporarily because of the damage done the lines by floods and earthquakes.

493 The TRA seeks the modernization of equipment as well as the rehabilitation and renovation of the equipment on hand. A drive to change motive power from steam locomotives to diesel engines is underway. Diesel cars are now operating on regular runs to the four major cities on the main line, namely, Taipei, Taichung, Changhua, and Chiayi. It has been reported that two diesel cars were to begin a regular express run between Taipei and Kaohsiung in early 1956 and are expected to make the run in 5-1/2 hours.[6] The administration plans to convert all passenger trains with diesel engines. Cushioned seats, at one time provided only in "first" and "second" class cars, are now replacing wooden seats in coaches. Manual signaling devices are being replaced by automatic block signals.

III. HIGHWAY TRANSPORT

491 The highways along the west coast of the island are well developed; those on the east coast are in

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[5] Ibid.

[6] The Asia Foundation Bulletin, Nov. 17,1955.

AD1

491 poor condition. An arterial highway 404 kilometers long, linking the principal ports, runs from Keelung to Kaohsiung. It has a minimum width of 21 feet (6-1/2 meters) over most of its length and can support 9-ton trucks.[7] Gravel roads connect Suao with the arterial highway, and other roads serve the southern part of the island, passing through Taitung and ending at Chihshang. There is no highway between Chichshang and Hualien. Su-hua highway, running between Suao and Hualien, is a single lane of about 28 miles (45 kilometers), passing along the face of the sea-cliffs. Construction of this road was a major engineering feat. The road is sometimes blocked by landslides. Generally, the gravel roads in Formosa are very rough and the bridges very narrow.

Currently, surveyors are at work in preparation for the building of highways across the central mountains from Tungshih to Tachien. One branch will extend to Lotung by way of Tuchang and another will connect with the Su-hua highway through Kuanyuan and Taloko Gorge.

493 Formosa has a comparatively small number of motor vehicles. As of the end of 1954, there were 3,875 passenger cars (654 for public hire) to a
495 population of about 10.4 million. Almost all of the
497 population must depend on mass transport of one kind or another. In 1954 there were 1,774 buses on the island. The Taiwan Provincial Highway Bureau, together with seventeen private companies and five city bus services carried a total of 275 million

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[7] T'ai-wan Kung-lu Kung-ch'eng [Taiwan Highway Engineering], Vol. 2, No. 1, Nov.1,1953, p. 9.

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494 passengers over an average distance of 9.4
489 kilometers in 1954. The increase in the total traffic volume in recent years has been remarkable -- 943 million passenger-kilometers in 1951 and 2,582 million passenger-kilometers in 1954. In the same period, railroad passenger traffic increased slightly, from 2,154 million passenger-kilometers to 2,217 million passenger-kilometers.[8]

489 All highway truck services are operated by private concerns; in 1954 there were 455 trucking companies, with a combined total of 2,401 trucks. In that year the companies carried 4.7 million metric tons of goods over an average distance of 27.4 kilometers. However, the actual total volume of trucking on the island may be somewhat greater, since many factories and enterprises own trucks.

With improved roads and better highway facilities -- as in the case of the completion of a surfaced road between Taoyuan and Tainan, the completion of Silo bridge, and so on -- highway transportation systems will expand. The United States is furnishing bus chassis and motor assemblies for this purpose.

499 The completion of Silo bridge deserves attention. Before 1952, the north-south arterial highway was interrupted by the Cho-shui River at Silo. At this point, the river is about 1.3 miles (two kilometers) wide. In order to cross the river, traffic detoured some 53 miles (85 kilometers) With American aid, the government proceeded

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8. Statistical Abstract of the Republic of China, 1955, Tables 126-28.

499 to erect 31 spans upon the existing concrete piers built by the Japanese in 1937. The completion of the bridges provides the railroad tracks of the Taiwan Sugar Corporation, and sugar cane and other agricultural products can be transported at much less cost than heretofore.

493 The comparatively few passenger automobiles are supplemented by the bicycles, pedicabs, and motorcycles. The extensive use of bicycles for short-distance transport, particularly within a city, is necessary where bus service is infrequent and buses overcrowded. It is reported that in 1955 in the city of Taipei alone there were over 120,000 bicycles and more than 100,000 pedicabs.[9]

Pedestrians on the highways and in the streets must exercise extreme caution to avoid recklessly driven vehicles. During the first nine months of 1955, there were 1,694 accidents caused by motor vehicles, resulting in 250 deaths and 1,837 injuries. Sixty-eight per cent of the accidents was attributed to reckless drivers and 13.3 per cent to the carelessness of pedestrians.[10]

IV. SHIPPING

505 Keelung in the north and Kaohsiung on the southwest coast are the island's two most important natural harbors. All exports and imports pass through these harbors, and they handle, in addition, approximately 10 per cent of coastal shipping. Keelung is able to accomodate at a single time up to twenty-five 3,000- to 20,000-ton

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[9] The Central Daily News, Nov.14,1955.

[10] Ibid.

505 ocean-going vessels, and in 1954 handled imports amounting to 671,000 metric tons; exports from Keelung amounted to 235,000 metric tons. Kaohsiung, large enough to accomodate as many as thirty-seven ships of up to 20,000-ton capacity, handled 60 per cent of the island's total imports[11] and approximately 70 per cent of total exports in the year 1954. Major export commodi[illegible] handled by the harbor at Kaohsiung include sugar, salt, and cement. The volume of export has fluctuated considerably in the past several years.[12]

Coastal shipping makes possible bulk transport between the western and eastern sections of the island, which might otherwise be delayed during certain seasons when typhoons damage or render the highways impassable. Shipping between the island proper and offshore islands such as Quemoy, Matsu, and the Pescadores is dependent upon small steamship and motor-powered sailing boats.

V. AVIATION

509 Formos'a most important international airport is situated at Sunghan, a suburb of Taipei. The airfields at Tainan, Makung, and Pingtung are designated as supplementary airports for emergency landings. The airfield at Sungshan is
507 equipped with four air-ground high frequency radio-telephone transmitters (3485 kc., 56125 kc., 8220 kc., and 13240 kc.), assuring communication

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[11] FOA, Mission to China, *op. cit.*

[12] *Industry of Free China*, Vol. III, No.5, May 1955, Table 12.

507 with all aircraft flying within the Taiwan Flight Information Region (21°00'N, 117°30'E -- 21°00'N, 121°30'E -- 29°00'N, 123°00'E -- 29°00'N, 117°30'E -- 21°00'N, 117°00'E). Furthermore, the airfield at Sungshan, Tainan, and Hualien have APN-2 radar for their runways. The Tainan field has two high frequency radio-telephones at 8515 kc. and 6557 kc.[13]

509 Currently, Formosa is served by Northwest Airlines (American), Thai Airways (Thailand), Korean National Airlines, and Hong Kong Airlines. Domestic air transport is the province of Civil Air Transport and Foshing Airlines. Civil Air Transport also fly China-Korea, China-Japan, China-Hong Kong, and China-Philippines routes.[14] A "round-the-island" route starts at Taipei and serves the airports of Makung, Tainan, Taitung, Hualien. Scheduled flights are available between Taipei and Hualien, and non-scheduled service is provided between Taipei and Quemoy.

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[13] China Publishing Company, China Handbook 1953-54, Taipei, 1953, p.

[14] Ibid.

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Annex "A"

APPENDIX I

000

MUTUAL DEFENSE TREATY

BETWEEN

THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA

December 2, 1954

The Parties to this Treaty,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the West Pacific Area,

Recalling with mutual pride the relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side by side against imperialistic aggression during the last war,

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be

000 under the illusion that either of them stands alone in the West Pacific Area, and

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the West Pacific Area,

Have agreed as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international dispute in which they may be involved by peaceful means in such a manner that international peace, security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II

In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack and Communist subversive activities directed from without against their territorial integrity and political stability.

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ARTICLE III

000 The Parties undertake to strengthen their free institutions and to cooperate with each other in the development of economic progress and social well-being and to further their individual and collective efforts toward these ends.

ARTICLE IV

The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty.

ARTICLE V

Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

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For the purposes of Articles II and V, the terms "territorial" and "territories" shall mean in respect of the Republic of China, Taiwan and the Pescadores; and in respect of the United States of America the island territories in the West Pacific under its jurisdiction. The provisions of Artcles II and V will be applicable to such other territories as may be determined by mutual agreement.

ARTICLE VII

The Government of the Republic of China grants, and the Government of the United States of America accepts, the right to dispose such United States land, air and sea forces in and about Taiwan and the Pescadores as may be required for their defense, as determined by mutual agreement.

ARTICLE VIII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE IX

This Treaty shall be ratified by the United States of America and the Republic of China in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them at Taipei.

ARTICLE X

This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.

Done in duplicate, in the English and Chinese languages, at Washington on this second day of December of the Year One Thousand Nine Hundred and Fifty-four, corresponding to the second day of the twelfth month of the Forty-Third Year of the Republic of China.

FOR THE UNITED STATES OF AMERICA:

JOHN FOSTER DULLES

FOR THE REPUBLIC OF CHINA:

GEORGE K. C. YEH

~~AD 1~~ AD1

APPENDIX II

Geographical Names

103 1. Places

European	Chinese Characters	Japanese
Anping	安平	Anpin
Changhua	彰化	Shoka
Chaochow	潮州	Choshu
Checheng	車城	Shajo
Chiayi	嘉義	Kagi
Chichi	集集	Shushu
Chihpen	知本	Chihon
Chihshang	池上	Chijo
Chinshui	錦水	Kinshui
Chishan	旗山	Kizan
Chuhuangkeng	出磺坑	Shukkoko
Chunan	竹南	Chikunan
Chungli	中壢	Chureki

[continued]

European	Chinese Characters	Japanese
103 Chutung	竹東	Chikuto
Erhchungkang	二重港	Nijuko
Fangliao	枋寮	Boryo
Fantsetien	番子田	Banshiden
Fengkang	楓港	Fuko
Fenglin	楓林	Fulin
Fengshan	鳳山	Hozan
Fengyuan	豐原	Toyohara
Hengtsun	恒春	Koshun
Hsichih	汐止	Sekishi
Hsinchu	新竹	Shinchiku
Hsinchuang	新莊	Shinso
Hsinhua	新化	Shinka
Hsinkang	新港	Shinko
Hsinshih	新市	Shinshi

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[continued]

European	Chinese Characters	Japanese
103 Hsintien	新店	Shinten
Hsinying	新營	Shinei
Hualien	花蓮	Karenko
Huwei	虎尾	Kobi
Kangshan	岡山	Okayama
Kaohsiung	高雄	Takao
Keelung (Chilung)	基隆	Kiirun
Kuanyuan	關原	Sekihara
Linpien	林邊	Rinhen
Lotung	羅東	Rato
Lukang	鹿港	Rokko
Makung	馬公	Mako
Minhsiung	民雄	Minyu
Miaoli	苗栗	Byoritsu
Nanchuang	南莊	Nanso
Nantou	南投	Nanto

European	Chinese Characters	Japanese
[continued]		
103 Neiwan	內灣	Naiwan
Panchiao	板橋	Itahashi
Peikang	北港	Hokko
Peitou	北投	Hokuto
Pingtung	屏東	Heito
Puli	埔里	Hori
Putai	布袋	Hotei
Shihlin	士林	Shirin
Shuifang	瑞芳	Zuiho
Silo (Hsilo)	西螺	Seira
Suao	蘇澳	Suo
Sungshan	松山	Matasuyama
Tachi	大溪	Taikei
Tachia	大甲	Taiko
Tachien	達見	Takken
Tahu	大湖	Daiko
Taichung	台中	Tainan
Tainan	台南	Tainan

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[continued]

European	Chinese Characters	Japanese
103 Taipei	台北	Taihoku
Taitung	台東	Taito
Takuan	大觀	Taikan
Tamali	大麻里	Daimari
Tanshui	淡水	Tanshui
Taoyuan	桃園	Toen
Tawu	大武	Daibu
Touliu	斗六	Toroku
Tounan	斗南	Tonan
Tsaoshan, or Grass Mtn., or Yangmingshan	草山 陽明山	Sozan
Tsoying	左營	Saei
Tuchang	土場	Dojo
Tungkang	東港	Toko
Tungshih	東勢	Tosei
Woluanpi	鵝鑾鼻	Garambi
Wushe	霧社	Musha

European	Chinese Characters	Japanese
[continued]		
103 Yilan	宜蘭	Giran
Yingko	鶯歌	Oka
Yuanlin	員林	Inrin
Yuli	玉里	Tamazato

2. Islands

European	Chinese Characters	Japanese
103 Kweishan I.	龟山島	Kizanto
Lanyü	蘭嶼	Kotoshu
Liuchiu I.	琉球島	Shoryukyu
Lutao	綠島	Kashoto
Pescadores (Penghu Islands)	澎湖諸島	Hokoshoto

3. Peninsulas

European	Chinese Characters	Japanese
Fukweichiao	富貴角	Fukikaku
Santiaochiao	三貂角	Sanchokaku

4. Mountains

Hsiu-ku-luan Shan	秀姑巒山	Skukoranzan
Kuan Shan	關山	Kanzan
Mt. Morrison (Yü Shan)	玉山	Nihitaka Yama
Mt. Sylvia (T'zu-kao Shan)	次高山	Tsugitaka Yama

European	Chinese Character	Japanese
103 Nan-hsin-kao Shan	南新高山	Minaminihitaka Yama
Pei-hsin-kao Shan	北新高山	Kitanihitaka Yama
Tung-t'zu-kao Shan	東次高山	Higashitsugitaka Yama

5. Rivers and Lakes

European	Chinese Character	Japanese
Cho-shui R.	濁水溪	Dakushui Kei
Lower Tan-shui R.	下淡水溪	Shimotanshui Kei
Sun-Moon Lake or Lake Candidius	日月潭	Jitsugetsutan
Ta-chia R.	大甲溪	Taiko Kei
Tan-shui R.	淡水溪	Tanshui Gawa
Tsang-wen R.	曾文溪	Sobun Kei